



BANDERA ELECTRIC COOPERATIVE, INC.
TARIFF FOR ELECTRIC SERVICE

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Bandera, Texas 78003

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<u>SECTION TITLE:</u> SERVICE RULES AND REGULATIONS Part 1 - Utility Operations APPLICABLE TO ALL AREAS SERVED		ADOPTED DATE: March 22, 2017 Replacing revision of: September 4, 1996 EFFECTIVE DATE: April 5, 2017	

I

UTILITY OPERATIONS

101. Description of Electric Utility Operations

101.1 Organization

Bandera Electric Cooperative, Inc. is an electric cooperative corporation organized and operating under the Electric Cooperative Corporation Act (Art. 1528b, Vernon's Annotated Codes and Statutes) and the laws of the State of Texas and is owned by its members. The Cooperative's business affairs are managed by a board of directors who are elected to the board from and by the Cooperative's Members in accordance with the provisions of the bylaws.

101.2 Type of Service

The Cooperative provides electric utility service through the operation of a retail electric distribution system. The Cooperative does not engage in the generation of electric power, but instead purchases electric energy requirements primarily from the Lower Colorado River Authority.

101.3 Service Area

A. Certification

The Public Utility Commission of Texas authorized the Cooperative to provide electric utility service by the issuance of a Certificate of Convenience and Necessity.

B. Counties

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The service area of the Cooperative includes all or portions of the following counties:

Bandera	Medina
Bexar	Real
Kendall	Uvalde
Kerr	

C. Cities

The service area of the Cooperative includes all or portions of the following incorporated municipalities:

Bandera
Boerne
Leakey

102. Purpose and Scope of Tariff

This tariff defines the service relationship between the Cooperative and persons desiring or receiving electric utility service from the Cooperative. The use of gender specific pronouns has been avoided whenever possible. However, where such avoidance would have led to very awkward sentences, masculine pronouns were used. This use should be considered to refer to both genders.

Care has been exercised in the use of the words Applicant and Member throughout this tariff. The use of these words in any given section of this tariff commonly apply to a person requesting electric service, or presently receiving electric service, respectively. There may be rare circumstances where the use of the words Applicant or Member, as defined above, may be improper. In such instances, the use of the words shall be interchangeable.

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Contractual rights and obligations of both parties are specified in a manner consistent with regulations affecting the Cooperative's method of operation.

These tariffs are a part of the Application and Agreement for Electric Service and other services provided by the Cooperative.

103. Applicability of Tariff

This tariff is applicable to the provisions of all electric utility service by the Cooperative in all areas in which the Cooperative provides service except as may be precluded by law.

104. Severability

If any provision of this tariff is held invalid, such invalidity shall not affect other provisions or applications of this tariff which can be given effect without the invalid provision or application, and to this end the provisions of these tariffs are declared to be severable.

105. Modification of Tariffs

This tariff may be changed, modified, or abrogated in whole or in part by any Regulatory Authority having jurisdiction thereof, whether or not at the request of the Cooperative, a Member, or otherwise. Any changed tariff shall be applicable to service provided from and after the effective date of such change.

106. Waiver

The failure of the Cooperative to enforce any of the provisions of this tariff shall not be considered a waiver of its *right to do so*.

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II.
RATES & FEES CLASSIFICATIONS

201. Rate Classification and Assignment

Rate classification and assignment shall be made by the Cooperative in accordance with the availability and type of service provisions in its rate schedules. Rate schedules have been developed for the standard types of service provided by the Cooperative. Upon request for service by an applicant or for a transfer of service by a member, the Cooperative will inform the applicant or member of the Cooperative's lowest-priced alternatives available at the member's location, beginning with the lowest-price alternative.

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202. Rate Classifications

202.1 General Service – Single-Phase and Three-Phase

A. Availability

General Service Single-Phase and Three-Phase is available in accordance with the Cooperative’s Service Rules and Regulations to all members with the exception of those classified under the Irrigation Rate Schedule.

B. Type of Service

Single-phase or three-phase at the Cooperative’s standard secondary distribution voltages, where available.

C. Rate – See Section 703.1

D. Minimum Charge

Each billing period the member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

(1) The Availability Charge in Section 702.1 or the amount stated in any agreement with the member, whichever is greater;

and

(2) Any applicable billing adjustments;

and

(3) Any applicable service fees.

E. Billing Adjustments

This rate is subject to all applicable billing adjustments, including the Fuel Cost Adjustment.

F. Terms of Payment

Each bill for utility service(s), regardless of the nature of the service(s), is due sixteen (16) days after issuance unless such day falls on a holiday or weekend, in which case payment is due on the next work day. If full payment is not received in

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the office of the Cooperative on or before the date such bill is due, the member's account will be considered delinquent and subject to late payment fee (See Section 701.1) and disconnection.

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202.2 Large Power

A. Availability

Available with the exception of Irrigation usage in accordance with the Cooperative’s Service Rules and Regulations to all members whose peak demand was equal to or greater than 50 kW for three (3) months or more during the twelve-month period preceding the current billing period.

Any new account with a transformer capacity of 50 kVA or greater (except Irrigation class) that has not established a prior service history with the Cooperative shall be classified under the appropriate rate schedule in accordance with a demand estimate performed by the Cooperative.

B. Type of Service

Single-phase or three-phase at the Cooperative’s primary or secondary distribution voltages, where available.

C. Rate – See Section 702.2 (availability, capacity), 703.2 (energy/delivery charges)

D. Demand Charge

The maximum average kilowatt demand measured over a period of fifteen (15) or sixty (60) consecutive minutes during the billing period.

E. Minimum Charges

Each billing period the member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

- (1) The Availability and Capacity Charge (Billing Demand Charge, per kWh) in Section 702.2 or the amount stated in the Electric Service Agreement, whichever is greater;

and

- (2) Any applicable billing adjustments;

and

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(3) Any applicable service fees.

F. Billing Adjustments

This rate is subject to all applicable billing adjustments, including the Fuel Cost Adjustment.

G. Terms of Payment

Each bill for utility service(s), regardless of the nature of the service(s), is due sixteen (16) days after issuance unless such day falls on a holiday or weekend, in which case payment is due on the next work day. If full payment is not received in the office of the Cooperative on or before the date such bill is due, the member's account will be considered delinquent and subject to late payment fees and disconnection.

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202.3 Outdoor Light Service

A. Availability

Single Phase Outdoor Light Service is available to all members in accordance with the Cooperative’s Service Rules and Regulations for pole-mounted area outdoor lighting near the Cooperative’s electric distribution lines.

B. Type of Service

Single-phase service at the Cooperative’s standard secondary distribution voltages.

C. Conditions of Service

- (1) There is a non-refundable installation fee (see Section 701.2) for the installation, relocation, and/or upgrade of each outdoor light.
- (2) In the event the installation of poles or other facilities is required, the member must pay:
 - (a) An engineering fee (see Section 701.2) to the Cooperative for the Cooperative to begin engineering services for the installation, plus
 - (b) In the event that the installation of poles or other facilities are required, a nonrefundable contribution-in-aid of construction charge equal to the estimated cost of any additional electric facilities (e.g. poles, wire, transformers, etc.) is required to be paid in advance of construction.
- (3) Refer to Section 703.3 for available lights. If, for any reason, and existing light is no longer offered, the Cooperative will continue to maintain existing lights until such time as the bulb or fixture requires replacement. At such time, the member will be given the option of either having the Cooperative replace the existing fixture with an LED of equivalent lumen output light fixture and adjust the monthly charge to the appropriate rate or remove the light and associated facilities.

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(4) The Cooperative shall furnish, install, and maintain the outdoor lighting equipment on an existing pole, belonging to the Cooperative, electrically connected so that the power for operation of the light does not pass through the meter that is installed for the member's other usage.

(5) The lighting equipment shall remain the property of the cooperative.

D. Rate – See Section 703.3

E. Billing Adjustments

This rate is subject to all applicable billing adjustments, including the Fuel Cost Adjustment. For purposes of calculating billing adjustments, energy usage shall be determined in accordance with lamps on the Cooperative's property controlled by photocell. Billing adjustments, including fuel and power cost, shall be applied for the entire billing period and shall not be prorated. LED lights are billed at a fixed cost per fixture.

F. Terms of Payment

Each bill for utility service(s), regardless of the nature of the service(s), is due sixteen (16) days after issuance unless such day falls on a holiday or weekend, in which case payment is due on the next work day. If full payment is not received in the office of the Cooperative on or before the date such bill is due, the member's account will be considered delinquent and subject to late payment fees and disconnection.

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202.5 Irrigation

A. Availability

Irrigation service is available in accordance with the Cooperative’s Service Rules and Regulations to all members with Irrigation uses.

B. Type of Service

Single-phase or three-phase at the Cooperative’s primary or secondary distribution voltages, where available.

C. Rate – See Section 703.5

D. Capacity Charge (Billing Demand Charge, per kW).

The maximum average kilowatt demand measured over a period of fifteen (15) or sixty (60) consecutive minutes during the billing period.

E. Minimum Charges

Each billing period the member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

- (1) The Availability and Capacity Charge (Billing Demand Charge, per kWh) in Section 702.3 or the amount stated in the Electric Service Agreement, whichever is greater;

and

- (2) Any applicable billing adjustments;

and

- (3) Any applicable service fees.

F. Billing Adjustments

This rate is subject to all applicable billing adjustments, including the Fuel Cost Adjustment.

G. Terms of Payment

Each bill for utility service(s), regardless of the nature of the service(s), is due sixteen (16) days after issuance unless such day falls on a holiday or weekend, in

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which case payment is due on the next work day. If full payment is not received in the office of the Cooperative on or before the date such bill is due, the member's account will be considered delinquent and subject to late payment fees and disconnection.

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202.6 Pre-Paid Service

A. Availability

Available to members receiving Single-Phase service under the “General Service – Single Phase and Three Phase” tariff (Section 202.1).

B. Application

- (1) Any eligible new or existing member with single-phase and three-phase service may request participation in the pre-pay program by signing a contract.
- (2) A new member requesting the pre-pay program will be required to pay a one-time \$25 membership fee.
- (3) A new member requesting the pre-pay program will not be required to pay a security deposit.
- (4) Any accrued consumer deposit on an existing member’s account at the time of entry to the pre-pay program will be applied to the member’s account to pay past due amounts, and any remaining to purchase energy.
- (5) After consumer deposit has been applied, any balance will be paid with 50% of member’s future pre-pay payments until the remaining balance is paid in full.
- (6) A reconnection fee will not be assessed to members participating in Pre-Paid Service when service is stopped due to a lack of prepayment and then reinstated after purchase is made.
- (7) Members taking standard service who have been disconnected for non-payment and elect to reconnect under the Pre-Paid Service will be assessed a reconnection fee (see Section 701.1).
- (8) By signing the Pre-Paid Service application, you agree to allow BEC, its agents or contractors to contact you by telephone, email, texting and any automatic telephone dialer, and leave a prerecorded and or text message on that number. Member is responsible for any applicable charges incurred on their behalf for message delivery.
- (9) Electric service will be subject to immediate disconnection any time the account does not have a credit balance. Service turned off due to a credit deficit will remain disconnected until the outstanding balance is paid.

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(10) In order to maintain uninterrupted electric service, the pre-pay account is required to have a credit balance.

(11)

C. Daily Rate

(1) The daily service type e Availability Charge (see Section 702.1) shall be the standard rate monthly availability charge multiplied by 12 months and divided by 365 days with the charge stated at six decimal places.

(2) The daily usage charges shall be the Delivery/Distribution charge, plus the Energy Charge and Fuel Cost Adjustment factors applied under the standard rate (see Section 703.1).

(3) Any applicable fees multiplied by 12 months and divided by 365 days with the charge stated at six decimal places.

D. Provisions

(1) Members may purchase Pre-Paid electric service by internet, telephone, payment kiosk, or during normal business hours at any Cooperative office.

(2) The Cooperative will monitor usage of participating pre-pay members and send notices of account activity and disconnection. Participating members can choose to receive notifications by electronic mail, text message or phone calls (or a combination of the three options). All notifications will be generated from the automated system.

E. Other

Except as modified herein, all other provisions of “General Service – Single Phase and Three Phase” tariff shall apply.

F. Member is required to maintain a credit balance above \$0.00 to avoid interruption of service. If balance falls below \$0.00, the member account will be disconnected. If member is disconnected, the member will be required to reestablish account with a minimum \$25.00 credit.

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A. Compensation for energy produced for all DG installations May 19, 2016

Purchases under this tariff are limited to situations where the Producer’s primary intent is to off-set his or her on-site consumption with on-site generation. Other situations are negotiated on a case-by-case basis. Facilities greater than 50 kW will be negotiated on a case-by-case basis.

This rate is not applicable to temporary, shared, or resale service. The Producer may connect multiple DG Facilities behind a single Cooperative meter, but the total connected maximum rated output shall not adversely affect the Cooperative’s electric system. This rate is applicable to service supplied at one point of delivery. If any part of these sections shall be in conflict with any other provision of this tariff, these sections shall control.

Determination of on-site excess generation and on-site consumption shall be accomplished by interconnection through a single meters with two registers where one register measures all energy supplied by the Cooperative in excess of on-site generation, and the other register measures all energy supplied by the Producer in excess of on-site consumption.

For power produced in excess of on-site requirements, where the energy supplied by the Producer is in excess of on-site consumption, the Producer shall be compensated at the Cooperative’s avoided wholesale power cost as defined in Section 202.7(B).

In the event where the monetary credit exceeds the billed amount, the credit shall be applied in the subsequent bill.

For the energy supplied by the Cooperative as defined, the Cooperative shall bill the Producer according to the Cooperative’s applicable retail rate schedule.

B. For the purposes of this small power production tariff, the Cooperative’s avoided wholesale power cost (see Section 703.2) will be calculated by dividing the prior year’s total power purchase cost (excluding demand costs, transmission costs, ERCOT and related fees, and distribution costs) by the prior year’s total kWh’s purchased.

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202.8 TBU (Time Based Usage) Voluntary Energy Efficiency Program

A. Availability

Voluntary program available to members receiving Single-Phase service under the “General Service – Single Phase and Three Phase” tariff (Section 202.1). There is a one-time opt out within the first twelve (12) months.

B. Type of Service

Single-Phase, 60 hertz, at 120/240 volts. Where service of the type desired by the member is not already available at the point of delivery, additional charges and arrangements between the Cooperative and the member may be required.

C. Rate – See Section 703.7.

D. Minimum Charge

Each billing period the member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

(1) The Availability Charge or the amount stated in any agreement with the member, whichever is greater;

and

(2) Any applicable billing adjustments;

and

(3) Any applicable service fees.

E. Billing Adjustments

Subject to all applicable billing adjustments, including the Fuel Cost Adjustment.

F. Terms of Payment

Each bill for utility service(s), regardless of the nature of the service(s), is due sixteen (16) days after issuance unless such day falls on a holiday or weekend, in which case payment is due on the next work day. If full payment is not received in the office of the Cooperative on or before the date such bill is due, the member’s account will be considered delinquent and subject to late payment fees and disconnection.

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When the member terminates service on this rate, member is ineligible for service under this rate for a period of one year from termination date. No adjustments will be made to prior bills if you would have paid less under the standard Single-Phase rate.

203. Billing Adjustments.

The Cooperative shall adjust all bills in accordance with the following adjustments, if applicable:

203.1 Purchased Power Cost Adjustment

The monthly charges may be increased or decreased on a uniform per-KWH basis as follows:

$$\text{Purchased Power Cost Adjustment} = A/B$$

Where:

A = Over- or Under-collection of wholesale power costs as determined by the Board of Directors on an annual basis.

B = Estimated KWH sales for the next 12 months.

The Purchased Power Cost Adjustment shall be applied on a uniform basis across rate classes to each successive months' billing until fully refunded or recovered.

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203.2 Franchise Fee Adjustment

For service rendered to members within the incorporated limits of a municipality which imposes a gross receipts fee upon the revenues received by the Cooperative from its members, the Cooperative shall calculate an applicable fee adjustment to be a separately stated adjustment on each such member's bill. The amount of the separately stated fee adjustment shall be determined by the following formula:

$$\text{FFA} = \text{TAB} \times \text{GRFR}$$

Where,

FFA = Gross receipts fee adjustment

TAB = Total amount billed for electric service under any applicable tariff or rate, excluding sales tax and any other amounts which are deductible under provisions of the Cooperative's franchise with the municipality within which incorporated limits member's service is rendered.

GRFR = Gross receipts fee rate (expressed as a decimal) levied by the municipality within which incorporated limits member's service is rendered.

203.3 Sales Tax

All bills shall be adjusted by the amount of any sales tax or other tax / fee attributable to the sale of electric service to the member unless member has previously provided to the Cooperative satisfactory proof of exemption.

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203.4 Meter Error Adjustment

If billings for electric service at a specific point of delivery (an account) are found to differ from the Cooperative’s approved rates for the service being purchased by the member, the Cooperative fails to bill the member for such service, or if a meter is found to be outside the accuracy standards established by the American National Standards Institute, Inc., a billing adjustment shall be calculated by the Cooperative. An adjustment to the account of the member currently served at this location shall be made for the previous six (6) months of the under billing or overbilling, or as provided by law. No refund is required from the Cooperative except to the member currently served at this location. If an overbilling is adjusted by the Cooperative within three billing cycles of the bill in error, interest shall not accrue. Unless otherwise provided in this section, if an overbilling is not adjusted by the Cooperative within three billing cycles of the bill in error, interest shall be applied to the amount of the overbilling at the rate set by the Cooperative annually for a calendar year. Interest on overbillings that are not adjusted by the Cooperative within three billing cycles of the bill in error shall accrue from the date of the bill in error. All interest shall be compounded monthly based on the annual interest rate. Interest shall not apply to leveling plans or estimated billings. Interest shall not apply to under billed amounts unless such amounts are found to be the result of theft of service (meter tampering, bypass, or diversion) by the member. Interest on under billed amounts shall be compounded monthly at the annual rate and shall accrue from the day the member is found to have initiated the theft of service. If the under billing is \$25 or more, the Cooperative shall offer the member a deferred payment plan option for the same length of time as that of the under billing. A deferred payment plan need not be offered to a member whose under billing is due to theft of service.

203.5 Power Factor Adjustment

If the average power factor is lower than ninety percent (90%), the measured demand may be increased by one percent (1%) for each one percent (1%) by which the power factor is less than ninety percent (90%) lagging.

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204. Service Fees

204.1 Membership Fee – See Section 701.1

Each applicant shall be assessed a membership fee upon submitting Application for Service. Applicants electing to participate in the Pre-Pay program will also pay a membership fee at the time of application.

204.2 Administrative Fee – See Section 701.1

The member shall pay an Administrative Fee for each manual or remote connect or disconnect of the meter, meter test (if meter is found to be in compliance), and clearances. This fee shall be assessed on the member's next monthly electric bill. This fee will not be assessed should the request be made by a governing entity or law enforcement.

204.3 Returned Check Fee – See Section 701.1

The Cooperative shall assess a fee for each check or other form of payment that is dishonored or returned to the Cooperative. Any member having a check or other form of payment dishonored two or more times in a 12-month period may be required to pay by cash, money order, credit card or certified check.

204.4 Member Request Fee – See Section 701.1

For each action requested by the member, the Cooperative shall charge a fee, which shall be assessed in the next regular billing cycle of the Cooperative. No charge shall be made to investigate an outage, voltage complaint, or service irregularity unless caused by member or member's installation or equipment.

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204.5 Enhanced Services Fee – See Section 701.1

The Cooperative shall charge a fee for members requesting a basic energy audit; same day service; realtors requesting temporary service for a real estate show (4 day max); or for those members requesting service on weekends/holidays/after hours. This fee is in addition to any other applicable fee(s). Member shall be required to pay this fee prior to any action taken.

204.6 Delinquent Service Fee – See Section 701.1

The Cooperative shall assess a fee for each reconnection of a delinquent service. This fee shall be assessed on the member’s next monthly electric bill.

204.7 Meter Tampering Fee– See Section 701.1

If a member (or non-member) is found to have tampered with a meter or is otherwise obtaining electric service in an illegal manner, the Cooperative shall charge a Meter Tampering Fee. The Cooperative shall disconnect the service and service shall not be restored until the member has paid the Meter Tampering Fee plus any associated expenses (e.g., damaged equipment, security deposits, etc.) and all charges for unmetered consumption as determined by the Cooperative as provided in this Tariff. The Cooperative may require member to execute new or additional agreements as a condition of restoration of service.

In cases of meter tampering or bypassing of meter, electric energy consumed, but not metered, may be estimated by the Cooperative based on amounts used under similar conditions during preceding years. Where no previous usage history exists or is considered unreliable due to meter tampering or bypassing of meter, consumption may be estimated on the basis of usage levels of similar installations and under similar conditions.

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204.8 Late Payment Fee – See Section 701.1

The Cooperative shall assess a penalty on each delinquent bill per Section 701.1 late payment fee percentage.

204.9 Retail Electric Service Switchovers – See Section 701.1

A request to switch service of a consuming facility to another utility that has the right to serve that facility shall be handled pursuant to Public Utility Commission of Texas Substantive Rule 25.27, a copy of which will be provided upon request. When the Cooperative is the disconnecting utility, a Base Charge (see Section 701.1) plus a variable charge covering the following:

- A. Direct and indirect labor and transportation costs associated with removing any distribution facilities rendered idle. This charge shall also include an amount based upon the original cost of the distribution facilities rendered idle and not reusable elsewhere on the system, less depreciation and salvage value.
- B. Prior to any disconnection under this tariff, the member shall pay to the Cooperative all charges for electric utility service through the date of disconnection, contractual commitments and charges for disconnection set forth in this tariff. Upon payment of such charges, the Cooperative shall give the member a paid receipt, for presentation by the member to the connecting electric utility.
- C. In accordance with the Substantive Rules of the Public Utility Commission of Texas, the Cooperative member is hereby advised that the connecting electric utility may not provide service to said member until such connecting utility has evidence from the Cooperative that the member has paid for electric service through the date of disconnection and any charges for disconnection under this tariff.

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204.10 Waiver/Removal of Service Fee

The waiver or removal of fees shall be at the CEO/General Manager's, or his appointee's, discretion.

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III OBTAINING ELECTRIC SERVICE

301. Application for Electric Service

301.1 Application Required

Any person desiring to receive electric service from the Cooperative shall apply for such service by properly completing, signing, and filing an Application and Agreement for Electric Service. A separate Application and Agreement for Electric Service is required for each location where delivery of electric energy is desired, whether or not for initiation or renewal of service or otherwise. An Application and Agreement for Electric Service is filed when it is received by an appropriate Cooperative employee at any office of the Cooperative.

The Application and Agreement for Electric Service must be in the true name of the person desiring to receive electric service. The Cooperative may require suitable identification and a single address be designated for billing purposes on all accounts of the same Member.

301.2 Membership in the Cooperative

If Applicant is not a Member of the Cooperative, Applicant shall properly complete, sign, and file an Application and Agreement for Electric Service accompanied by the payment of one (1) membership fee.

301.3 Offer to Purchase Electric Service

Upon compliance with the provisions of Sections 301.1 and 301.2, Applicant has made an offer to purchase electric energy from the Cooperative, the terms of which are contained in the Application and Agreement for Electric Service, these tariffs, and any applicable easement.

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302. Establishment of Credit

At any time before Applicant's offer to purchase electric service is agreed to by the Cooperative, 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. Credit history shall be applied equally for a reasonable period of time for a spouse or former spouse who shared the service. Credit history maintained by one must be applied equally to the other without additional qualifications not required of the other. Notwithstanding any provision of these rules to the contrary, the following rules shall apply to the establishment of credit.

302.1 Establishment of Credit for Permanent Residential Applicants

An Applicant for permanent residential service may satisfactorily establish credit and shall not be required to pay a deposit:

A. Payment History

If it is undisputed that Applicant has been a customer of a utility providing electric service within the last two years and is not delinquent in the payment of any such utility service account and during the last twelve (12) consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

or

B. Guarantee

If the Applicant for permanent residential service furnishes in writing a satisfactory guarantee to secure the payment of bills for electric service;

1. unless otherwise agreed to by the guarantor, the guarantee shall be for the amount of deposit the utility would normally seek on the Applicant's account. The amount

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of guarantee shall be clearly indicated on any documents or letters of guarantee signed by the guarantor;

2. when a Member has paid bills for service for 12 consecutive residential billings without having service disconnected for nonpayment of bills and without having more than two occasions in which a bill was delinquent, and when a Member is not delinquent in the payment of current bills, the utility shall void and return any documents or letters of guarantee placed with the utility to the guarantor.

or

C. Senior Citizens

If the Applicant for permanent residential service is sixty-five (65) years of age or older and does not have an outstanding account balance with the Cooperative or another utility providing electric service which accrued within the last two (2) years;

or

D. Other Means

If the permanent residential Applicant demonstrates a satisfactory credit rating by appropriate means, including, any of the following:

1. The production of generally acceptable credit cards in Applicant's name;
2. Letters of credit reference;
3. The names of credit references which may be quickly and inexpensively contacted by the Cooperative;
4. Ownership of substantial equity.

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302.2 Reestablishment of Credit

Every Applicant who has previously been a Member of the utility and whose service has been discontinued for nonpayment of bills or meter tampering or bypassing of meter shall be required, before service is rendered, to pay all amounts due the Cooperative or execute a deferred payment agreement. The burden shall be on the Cooperative to prove the amount of utility service received but not paid for and the reasonableness of any charges for such unpaid service, as well as all other elements of any bill required to be paid as a condition of service restoration.

302.3 Security Deposit

If the credit of an Applicant for any type of service has not been established satisfactorily to the Cooperative, the Applicant may be required to make a deposit. If an Applicant is required to make a deposit the Cooperative shall pay interest on such deposit at an annual rate as follows:

The rates of interest to be paid on security deposits in accordance with Tex. Rev. Civ. Ann. Art. 1440a (Vernon 1989), and overbilling or under billings in accordance with P.U.C. SUBST. R. 23.45(h), are established annually on December 1 for the subsequent calendar year by the Commission, as reflected in the Order Setting Interest Rates included in this tariff. Payment of the interest to the Member shall be retroactive to the date of deposit, paid monthly, and credited to the Member's account. The deposit shall cease to draw interest on the date it is returned or credited to the Member's account. If a refund of deposit is made within 30 days of receipt of deposit, no interest payment is required.

302.4 Amount of Deposit for Permanent Residential, Commercial, and Industrial Service

The required deposit for permanent residential or commercial or industrial service shall not exceed an amount equivalent to one-sixth (1/6) of the estimated annual billings. If actual use is at least two (2) times the amount of the estimated billings, a new deposit requirement may be calculated. If such additional deposit is not made, the Cooperative may disconnect

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the service. If a Member is disconnected for nonpayment his deposit shall be increased provided that the total deposit does not exceed 1/6th of estimated annual billings.

- A. The new deposit may only be required if the Member has received at least one late notice in the previous twelve months.
- B. In the event the service is disconnected for non-payment, the Member shall pay a newly calculated deposit in addition to the past due amount(s) before reconnection.

302.5 Records of Deposits

- A. The utility shall keep records to show:
 - 1. the name and address of each depositor;
 - 2. the amount and date of the deposit; and
 - 3. each transaction concerning the deposit.
- B. The utility shall issue a receipt of deposit to each depositor from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

302.6 Temporary or Seasonal Service and for Weekend Residences

The Cooperative may require an Applicant for temporary service or seasonal service or service to weekend or intermittent use installations to pay a deposit sufficient to reasonably protect the Cooperative against the assumed risk for any of such services.

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303. Cooperative Action on the Application

The Cooperative shall consider the offer to purchase electric service and act upon it within a reasonable time by either granting the Application and Agreement for Electric Service (conditionally, subject to these rules) or refusing service in accordance with this tariff.

303.1 Granting Application

The Cooperative may grant an application by:

A. Signature

Having its authorized officer or employee sign the Application and Agreement for Electric Service on behalf of the Cooperative;

or

B. Initiating Service

Making electricity available at the service location.

303.2 Refusal of Service

The Cooperative may refuse service if:

A. Credit

Applicant has failed or refused to satisfactorily establish credit in accordance with the provisions of Section 302 of these rules;

B. Fulfillment of Conditions Precedent

If Applicant has failed or refused within a reasonable time to fulfill any condition precedent to performance (see Section 304.2);

or

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or

C. Membership

Applicant has failed or refused to pay the membership fee or qualify for membership in the Cooperative in accordance with the provisions of law;

or

D. Hazardous Condition

If it has come to the Cooperative's attention that Applicant's/Member's installation or equipment is hazardous or of such character that satisfactory service cannot be given.

303.3 Insufficient grounds for refusal to serve

The following shall not constitute sufficient cause for refusal of service to a present Member or Applicant:

A. delinquency in payment for service by a previous occupant to be served;

or

B. failure to pay for merchandise, or charges for non-utility service purchased from the utility;

or

C. failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;

or

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D. violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interferes with the service of others, or other service such as communication services, unless the Member has first been notified and been afforded reasonable opportunity to comply with said rules;

or

E. failure to pay a bill of another Member as guarantor thereof, unless the guarantee was made in writing to the utility, as a condition precedent to service;

or

F. failure to pay the bill of another Member at the same address except where the change of Member/Applicant identity is made to avoid or evade payment of a utility bill. A Member/Applicant may request a supervisory review if the utility determines that evasion has occurred and refuses to provide service.

304. Contract for Service

The grant of an Application and Agreement for Electric Service shall operate as an acceptance of Applicant's offer to purchase electric service.

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304.1 Terms of Contract

The terms of the contract are the provisions of the Application and Agreement for Electric Service (including this tariff) and any applicable easement.

304.2 Conditions to be Fulfilled by Applicant Prior to the Rendition of Service

As conditions precedent to the performance or obligation to perform any part of the Application and Agreement for Electric Service by the Cooperative or the provision of any electric service Applicant shall:

A. Comply with the Law

Applicant warrants to the Cooperative that he has complied with all Federal, State, County, and Municipal regulations governing the service applied for and shall remain in compliance. The Cooperative does not undertake to determine if Applicant is in compliance with the law and the provision of service shall not be construed as any indicia of compliance; however, the Cooperative may require a copy of any approval required by law, ordinance or regulation prior to the provision of service;

and

B. Comply with Service Rules

Applicant shall comply with the Service Rules and Regulations of the Cooperative governing the service applied for;

and

C. Applicant's Installation.

Applicant warrants to the Cooperative that Applicant's installation is constructed in accordance with the National Electrical Code approved by the American National Standards Institute, any other state, county, or municipal codes or regulations, or Bandera Electric Cooperative, Inc. requirements, whichever is more stringent, and

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will be maintained in such manner as to conform to such standards. The Cooperative does not undertake to determine if Applicant's installation complies with such standards and the provision of service shall not be construed as any indicia of compliance; however, should it come to the attention of the Cooperative that Applicant's installation does not conform to such standards, Applicant may be required to conform prior to the provision of service;

and

D. Easement.

Applicant shall grant or secure to the Cooperative at Applicant's expense an easement, the form and content of which is satisfactory to the Cooperative. The form of an acceptable utility easement which has been approved by the Public Utility Commission of Texas is contained in Section IV, of this tariff;

and

D. Construction Costs.

Applicant shall fulfill all obligations for the payment of construction costs in the manner prescribed in service rules and regulations governing line extension.

304.3 Assignment of Contract

The Member shall not assign the Contract except by written consent of the Cooperative or in compliance with the Articles and Bylaws of the Cooperative. The Contract shall inure to the benefit of the Cooperative's assignee(s).

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304.4 Modification by the Parties

The Application and Agreement for Electric Service may be modified or terminated by the agreement of both the Cooperative and the Member only if such agreement is made in writing and signed by both parties.

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305. Line Extension

305.1 General Policy

It is the stated policy of this Cooperative, that electric service be extended to all unserved persons or establishments within its designated service area; PROVIDED, HOWEVER, that in extending electric service paramount consideration shall be given to maintaining the financial soundness of the Cooperative through the prudent application of available resources and by assuring that service extension will be self-amortizing over a reasonable future time period.

A. New Construction

The Cooperative extends its distribution facilities to Applicants in accordance with the line extension provisions outlined in this Section. Each provision classifies the predominate type of electric service/use anticipated on Applicant’s premises and specifies conditions under which a line extension may be made. For each location where electric service is desired, Applicant’s classification involves an evaluation of the type of installation, its use, as well as the frequency and duration of type of installation, its use, as well as the frequency and duration of energy consumption which may be expected. Applicant’s classification shall be determined by the Cooperative at its sole discretion. In the event that the classification assigned by the Cooperative is incorrect based on Applicant’s subsequent actual use of the installation and/or usage of energy, then the Cooperative may alter Applicant’s classification and apply the correct line extension classification, making appropriate adjustment to the Applicant’s account or billing, including requiring a payment of non-refundable contribution-in-aid to construction.

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All wiring, poles, lines and other equipment beyond the point of delivery shall be considered the distribution system of the Applicant and shall be furnished and maintained by the Applicant. All power and energy delivered beyond the point of delivery shall be the responsibility of the Applicant and the Cooperative will not be liable for claims, injuries or damages to persons or property occurring on the Applicant's side of the point of delivery.

The term shall begin upon 30 days after service is made available, or the date on which the service is connected, whichever is sooner.

Applicants are required to sign a separate Application and Agreement for service for each of the Applicant's delivery points.

B. Engineering Fees

Applicants and persons requesting new service, new light, a service upgrade, a relocation, or removal of Cooperative facilities shall be charged a non-refundable Engineering Fee for field or in-office engineering and clerical work to prepare cost estimates, staking sheets, permits, easements, or any other documentation necessary for construction and record keeping.

A separate Engineering Fee shall be paid for each Application and said fee must be paid at the time of Application.

Any request or Application that is ready for construction but is on hold waiting for the Applicant to pay contribution in aid to construction fees, or is otherwise placed on

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hold by the Applicant, may be cancelled three (3) months after the engineering is complete, or upon three (3) months of inactivity on the part of the Applicant.

If the line extension has been designed to the Applicant’s designated point of delivery and the Applicant subsequently requests a redesign of the line extension, the Applicant shall be required to provide an additional non-refundable Engineering Fee at the time of this request.

See Section 701.2 for Engineering Fees.

305.2 General Service Single-Phase Service

A. Permanently Occupied Installations

The Cooperative will construct an extension of its overhead or underground distribution system to Applicant's point of delivery for a Permanently Occupied Installation. There will be no charge to the Applicant for the lesser of the following construction allowance:

1. The Cooperative’s estimated cost to extend its overhead or underground service to the Applicant’s point of delivery; or
2. The first \$1,700 of estimated cost of constructing the extension.

Extensions will be staked from the Cooperative’s existing facilities over the shortest feasible route. Construction costs shall be based on the Cooperative’s latest available standard unit cost schedule. The Applicant shall be required to pay to the Cooperative a non-refundable contribution-in-aid to construction charge for any estimated construction costs in excess of the construction allowance, prior to construction.

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The Cooperative will have sole discretion in determining if a location will be a Permanently Occupied Installation or if the location shall be a non-permanently occupied installation. The Cooperative will use reasonable judgment and may require the Applicant to provide information necessary to make this decision.

A manufactured home or prefabricated structure shall qualify as a Permanently Occupied Installation only if it is impractical to move and has the wheels, axles, and hitch or towing device removed.

Applicant shall be required to sign an Application and Agreement for Electric Service and the minimum charge will apply thereafter as long as electric service is provided at the location.

B. Non-Permanently Occupied Installations

The Cooperative will construct an extension of its overhead or underground distribution system to Applicant's point of delivery for non-permanently occupied full-time installations (e.g.: movable installations or installations occupied on a seasonal or intermittent-use basis such as hunting camps, weekend or seasonal homes, ranch tenant houses, barns, workshops, livestock pens, stock water wells, electric gate openers, RV parks, fireworks stands, subdivision water wells, speculatively built homes and property developed for rental or lease purposes where a reasonable possibility exists that it will not be occupied on a permanent full-time basis).

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There will be no charge to the Applicant for the lesser of the following construction allowance:

1. The Cooperative’s estimated cost to extend its overhead or underground service to the Applicant’s point of delivery; or
2. The first \$500 of estimated cost of constructing the extension.

Extensions will be staked from the Cooperative’s existing facilities over the shortest feasible route. Construction costs shall be based on the Cooperative’s latest available standard unit cost schedule. The applicant shall be required to pay to the Cooperative a non-refundable contribution-in-aid to construction charge for any estimated construction costs in excess of the construction allowance, prior to construction.

C. Temporary Service

The Cooperative will construct an extension of its overhead distribution system for the purpose of providing temporary service (e.g.: interim construction power for construction of a residence). The contractor or other person desiring temporary service shall be required to pay in advance a non-refundable contribution-in-aid to construction charge equal to the total estimated cost of all construction and removal, less estimated salvage value; such amount to be calculated on the basis of the Cooperative's adjusted standard unit price schedule. Temporary service is limited to a period of 365 days.

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305.3 General Service Three-Phase Service

The Cooperative will construct a three-phase extension of its overhead or underground distribution system to Applicant's point of delivery. The minimum charge established in the applicable rate schedule will apply as long as service is used at the location.

There will be no charge to the Applicant for the lesser of the following construction allowance:

1. The Cooperative's estimated cost to extend its three-phase overhead or underground service to the Applicant's point of delivery; or
2. The first \$1,700 of estimated cost of constructing the extension.

Extensions will be staked from the Cooperative's existing facilities over the shortest feasible route. Construction costs shall be based on the Cooperative's latest available standard unit cost schedule. The applicant shall be required to pay to the Cooperative a non-refundable contribution-in-aid to construction charge for any estimated construction costs in excess of the construction allowance, prior to construction.

A. Three-Phase Service for Public School Buildings and Permanently Occupied Government Buildings

The Cooperative will construct a three-phase extension of its overhead or underground distribution system to those public school buildings or occupied government facilities which reasonably ensure the Cooperative a long-term return on its investment. The minimum charge established in the applicable rate schedule will apply as long as service is used at the location.

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There will be no charge to the Applicant for the lesser of the following construction allowance:

1. The Cooperative’s estimated cost to extend its three-phase overhead or underground service to the Applicant’s point of delivery; or
2. The following line extension construction credit, based on the anticipated kW demand, as determined by the Cooperative:
 - a. Less than 50 kW – \$3,200 line extension construction credit
 - b. 50 kW to 99 kW – \$4,000 line extension construction credit
 - c. 100 kW to and greater– \$6,000 line extension construction credit

Extensions will be staked from the Cooperative’s existing facilities over the shortest feasible route. Construction costs shall be based on the Cooperative’s latest available standard unit cost schedule. The applicant shall be required to pay to the Cooperative a non-refundable contribution-in-aid to construction charge for any estimated construction costs in excess of the construction allowance, prior to construction.

305.4 All Extensions 50 kW or More

A contribution in aid of construction for provision of electric service is required for all extensions, with the exception of those provided for in section 305.3(A), if the estimated annual revenue from Member, excluding purchased power cost, is less than the revenue requirement associated with the Cooperative’s system and direct investment costs of providing service to member. The amount of the Member’s non-refundable contribution-in-aid to construction for all other extensions shall be determined by the following formula. If the amount calculated below is zero or negative, no contribution-in-aid to construction

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is required for provision of electric service.

Cooperative’s Allowable Investment = Annual Revenue / Return Factor

Total Project Cost = Direct Cost + System Cost

Member’s Contribution = Total Project Cost - Cooperative’s Allowable Investment

Where:

Direct Cost = The cost of distribution or transmission facilities necessary to provide electric service to the Member, determined by estimating all necessary expenditures, including, but not limited to overhead distribution facilities, metering and rearrangement of existing electrical facilities. This cost includes only the cost of the above-mentioned facilities that are necessary to provide service to the particular Member requesting service and does not include the costs of facilities necessary to meet future anticipated load growth, or to improve the service reliability in the general area for the benefit of existing and future members.

System Cost = Cooperative’s average allocated investment costs and rate base items associated with transmission backbone facilities, distribution substation facilities and distribution backbone facilities as determined from the Cooperative’s most recent cost of service..

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Annual Revenue = Annual revenue from the Member computed using estimated billing units less the estimated annual cost of purchased power.

Return Factor = The fixed charge rate, including O&M, Depreciation, Taxes and a return on investment, necessary to convert an annual revenue stream to the total revenue associated with the life of the project.

For Members with loads greater than 1000 kW the Cooperative shall exercise prudent judgment in determining the conditions under which a specific line extension will be made and shall view each case individually.

305.5 Outdoor/Street Lighting

The Cooperative agrees to install outdoor/street lighting at locations designated by the Applicant and mutually agreed upon by the Cooperative and as needed to comply with any laws, ordinances or regulations. The Applicant shall be required to pay a non-refundable contribution-in-aid to construction charge equal to the estimated cost of any additional electric facilities (e.g. poles, wire, transformers, etc.) in advance of construction.

The Cooperative does not offer any custom lighting solutions at this time. The Cooperative will install its standard light, as selected by the Applicant, unless the Applicant desires to install his own custom lighting. In such instances, the Cooperative will determine the impact and address custom solutions on a case by case basis.

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The Cooperative shall own, operate, maintain and repair the Cooperative’s standard lighting facilities. The monthly charge for outdoor/street lighting will be in accordance with the applicable rate schedule in the Tariff, Section 703.3.

305.6 Underground Extensions and Conversions

The Cooperative will construct an underground extension to an Applicant’s point of delivery; however, Applicants desiring an underground extension are required to pay any applicable non-refundable contribution-in-aid to construction charges.

Upon request, the Cooperative shall convert its overhead system to an underground system, provided the Member has granted a satisfactory easement and paid in advance, a non-refundable-in-aid to construction charge equal to the estimated installation cost of the new underground facilities and the estimated cost of removing the overhead facilities, less salvage value.

The Cooperative shall have the right to refuse the installation of an underground system, if it is determined that the proposed facilities would be unreasonably difficult to build, maintain, or would otherwise jeopardize the system’s reliability.

Electric service from underground distribution facilities is available to Applicants requesting such service. In areas served by the Cooperative’s underground distribution system, phase and voltage of electric service may be limited to that which can be provided by existing facilities. Underground conductors are usually connected to the Cooperative’s overhead distribution facilities at a location outside the Applicant’s premises or at a suitable location on the Applicant’s premises. The location and routing of underground distribution facilities is determined by the Cooperative.

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The Applicant shall be responsible for acquiring, providing and completing the following portions of the underground distribution system and all costs are to be borne by the Applicant:

1. Locate and clearly mark existing underground facilities including private gas lines, private water lines, Private waste water lines, private communication lines, private electric lines, etc. along the conductor route.
2. Concrete, silt screens, grass seeding or other materials as required to control ditch erosion and to re-establish vegetation along conductor route.

Notes:

- a. No change will be made in the final grade along the conductor route without the consent of the Cooperative.
- b. Any change in grade which requires lowering or rerouting of electrical conductors is at the expense of the Applicant/Member/Developer.

The Cooperative shall provide and install the following portions of the underground system upon payment of any applicable charges. The Cooperative will provide, install and maintain equipment.

1. Design of underground system;
2. Permits, traffic control barriers, barricades, signs, etc. required by governmental authorities having legal jurisdiction;
3. Rough site grading;

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4. Final grade along conductor route and at all pad locations;
5. Primary and secondary ditches;
6. Road bores;
7. Primary and secondary conduits with nylon pulling strings inside conduits.
Conduits shall be capped one foot above finished grade, except those secondary conduits terminating at a meter socket or main disconnect panel shall be extended to the meter socket or panel;
8. Approved select backfill;
9. Risers;
10. Equipment pads;
11. Junction boxes and internal components;
12. Transformers and internal components;
13. Pre-manufactured meter pedestals;
14. Site built meter racks;
15. Primary, secondary, and grounding conductors;
16. Secondary connectors at transformer;
17. Elbows;
18. Ground rods and ground rod clamps;
19. Warning tape;
20. Warning signs;
21. Lightning arrestors;
22. Terminators;
23. Conductor splices;
24. Concrete cap containing red dye if required by the Cooperative or governmental authorities having legal jurisdiction; and
25. Final backfill

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305.7 Subdivision Development

A. General Requirements

Service will not be extended to any use on a lot, tract, or parcel of land in a subdivision, as defined by Texas law, until, without expense or obligation to the Cooperative, the following requirements are completed:

The plat of the entire subdivision shall conform to the laws of the State of Texas including approval by the appropriate governmental authority under Texas law and filing of the subdivision plat in accordance with Texas law with the County Clerk of the County wherein the subdivision is located, and a reproducible copy thereof is supplied to the Cooperative. This reproducible copy shall have inscribed upon it all information pertinent to its recording in the County Clerk’s office.

Without expense or obligation to the Cooperative, every corner of a lot, tract, or parcel of land, in the subdivision shall be staked conforming to the plat of the subdivision filed in accordance with Texas law and with the County Clerk of the County wherein the subdivision is located. In those instances where the properties are deeded to the center of the road right-of-way, it is the obligation of the developer to stake all angle points that define the outer boundaries of the road right-of-ways.

The owner of the entire subdivision shall acknowledge in the presence of a notary public prior to filing the subdivision plat with the County Clerk the following Utility Right-of-Way grant evidenced upon the face of the plat of the subdivision filed with the County Clerk of the County wherein the subdivision is located, to wit:

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It is understood and agreed that perpetual easements are reserved for the installation and maintenance of utilities and all necessary appurtenances thereto, whether installed in the air, upon the surface or underground, along and within ten (10) feet of the rear, front, and side lines of all lots and/or tracts and in the streets, alleys, lanes, and roads of this subdivision, and ten (10) feet along the outer boundaries of all streets, alleys, boulevards, lanes and roads where subdivision lines or lots of individual tracts are deeded to the center line of the roadway. Nothing shall be placed or permitted to remain within the easement areas which may damage or interfere with the installation and maintenance of utilities. The easement area of each lot and all improvements within it shall be maintained by the owner of the lot, except for those facilities for which an authority or utility company is responsible. Utility companies or their employees shall have all of the rights and benefits necessary or convenient for the full enjoyment of the rights herein granted, including but not limited to the free right of ingress to and egress from the right-of-way and easement, the right to clear the easement area and to keep it clear of all brush, trees, structures, and other obstructions, including the right to cut all weak, leaning, or dangerous trees located outside the easement area which are tall enough to strike the electric facilities in falling. The easement rights

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herein reserved include the privilege of clearing a right-of-way for and anchoring of any support cables or other devices outside said easement when deemed necessary by the utility to support equipment within said easement and the right to install wires and/or cables over some portions of said lots and/or tracts not within said easement so long as such items do not prevent the construction of buildings on any of the lots and/or tracts of this subdivision.

Utilities shall have the right to install and maintain locks in gates as necessary or appropriate for the right of ingress to and egress from the easement area. The foregoing notwithstanding, the utility may relocate its facilities and right-of-way over the premises to conform to any future highway or street relocation, widening, or improvement.

The owner of the subdivision shall be required to pay a non-refundable Engineering Fee of \$1.75 per linear foot of lot frontage, as reflected on the plat, for underground facilities; and \$0.50 per linear foot for estimated overhead facilities. This fee shall be paid prior to the Cooperative performing any engineering associated with the extension of a trunk line for the subdivision.

The owner of the subdivision signs a Subdivision Electric Service Agreement and pays any applicable costs associated with the extension of the Cooperative's overhead or underground facilities to provide electric service to the subdivision. This

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agreement shall be signed and the cost shall be paid prior to the Cooperative granting final approval of the subdivision.

B. Subdivisions with Electric Service to Ultimate Delivery Point for All Lots

The Cooperative will construct a new extension of its overhead or underground distribution system to provide residential or commercial developments scheduled for immediate development and the electric trunk line extension will include the construction of the electric facilities to the ultimate delivery point for each lot within the development.

The owner of the development shall be required to pay, in advance of construction, a non-refundable contribution-in-aid to construction charge equal to the estimated cost of construction of the trunk line.

C. Subdivisions with Electric Primary Distribution Backbone Facilities Only

The Cooperative shall construct a new extension of its overhead or underground distribution backbone facilities to residential or commercial developments.

The owner of the development shall be required to pay, in advance of construction, a non-refundable contribution-in-aid to construction charge equal to the estimated cost of construction of the backbone trunk line. The owner of the development will not be eligible for any refunds for the cost of constructing these electric facilities. The future property owners shall be responsible for those costs associated with the extension of Cooperative electric facilities to serve their individual lots.

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305.8 Relocation of Existing Facilities

Upon request, the Cooperative shall relocate its facilities on Member's premises provided Applicant has (1) provided a satisfactory easement for the new facilities; (2) paid in advance a non-refundable contribution-in-aid to construction charge equal to the estimated cost of relocating the facilities.

If the Cooperative determines it is necessary to move its facilities because a Member has altered the physical characteristics of the land or otherwise encroached within the easement area, thereby creating clearances in conflict with those required by any federal, state, or local codes, or if the Member refuses to allow the Cooperative access to its facilities, and the Member refuses to pay for such change, then the Member may be billed the estimated cost for such relocation.

305.9 Ownership of Existing Facilities

The Cooperative shall retain the ownership of all material and facilities installed by the Cooperative for the distribution of electric energy whether or not the same have been paid for by the Member. All lines and facilities constructed or installed by the Cooperative are the property of the Cooperative.

Nothing shall be fastened or attached to Cooperative owned poles or other facilities, except for Member owned electrical service equipment and electrical conductors, which shall be permitted to be attached to Cooperative's meter pole at Member's point of delivery, in a manner consistent with National Electrical Code, any applicable governmental codes and Cooperative requirements.

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305.10 Miscellaneous Provisions

A. Line Footage

The footage to be used in determining the cost of extension shall be the footage actually determined when the line is staked by the Cooperative's engineering department.

B. Line Routing

Line routing for the convenience of the Applicant resulting in costs in excess of the shortest feasible route costs shall be considered an extra cost and shall be paid for by the Applicant in the form of a non-refundable contribution in aid of construction, prior to the beginning of construction. Where an extension of service includes an excessive number of angles resulting from easement restrictions, the Cooperative may require additional non-refundable contribution-in-aid to construction charges based on the extra costs involved.

C. Refunds

Certain construction cost advances paid by Members for line extension applications accepted prior to July 1, 2007 qualified for refunds paid by the Cooperative. Those refunds will continue in accordance with Cooperative policies and tariffs in place prior to July 1, 2007. Any such applications suspended by the applicant for more than ninety (90) days after engineering is complete shall be cancelled and any subsequent applications will be processed in accordance with the then current policies and tariffs.

D. Special Circumstances

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The Cooperative, upon approval of the CEO/General Manager, or their designate, may waive a portion or all of the contribution-in-aid of construction charges required under the Cooperative’s line extension policies and tariffs if, in the CEO/General Manager’s, or designee’s, opinion, the waiver of the contribution is reasonable and necessary to attract the Applicant to the Cooperative’s service area, if the anticipated annual revenue from the Applicant justifies the Cooperative’s investment, if the construction required will facilitate service to other potential applicants or improve service to existing members, or if service to the Applicant will contribute significantly to the economic development of the Cooperative’s service area or be beneficial to the Cooperative’s membership.

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306. Meters

306.1 Location and Installation of Meter

Meters and service switches in conjunction with the meter shall be installed in accordance with the latest revision of American National Standards Institute, Incorporated Standard C12 (American National Code for Electricity Metering), and will be readily accessible for reading, testing and inspection, and where such activities will cause minimum interference and inconvenience to the Applicant/Member. Applicant/Member shall provide, without cost to the Cooperative, at a suitable and easily accessible location: (1) sufficient and proper space for installation of meters and other apparatus of the Cooperative, (2) meter loop, (3) safety service switches when required and (4) an adequate anchor for service drops. All meters installed after July, 1980 shall be located as set forth herein, provided that, where installations are made to replace meters removed from service, this section shall not operate to require any change in meter locations which were established prior to July, 1980, unless the Cooperative finds that the old location is no longer suitable or proper, or the Member desires that the location be changed. Where the meter location on the Member's premises is changed at the request of the Member, or due to alterations on Member's premises, the Member shall provide and have installed at his expense, all wiring and equipment necessary for relocating the meter.

306.2 Type of Meter and Ownership of Meter

The Cooperative shall provide, install, own, and maintain all meters necessary for the measurement of electrical energy. Such meters shall be of a standard type which meet industry standards, however, special meters not conforming to such standards may be used for investigation or experimental purposes.

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307. Point of Delivery

The Cooperative shall designate the location to receive electric energy and Applicant/Member shall provide service entrance conductors and any receptacle needed for the receipt of electric energy.

The point of delivery of electric energy is the point where the Applicant's/Member's service entrance conductors are connected to the Cooperative's conductors. Such point shall be outside the Applicant's/Member's installation or structure(s) at a location which will facilitate connection in accordance with the National Electrical Safety Code and standard operating practices of the Cooperative.

In special circumstances, the point of delivery may be located inside the Applicant's/Member's installation or structure if the Applicant/Member makes a written request which is approved by the manager of the Cooperative.

308. Initiation of Service

Electric service is provided to qualified Applicants in the Cooperative's certificated area who have satisfactorily established credit and fulfilled all conditions precedent. Normally, as a service objective, the Cooperative attempts to make service available within the following guidelines:

- A. Within seven (7) days if no line extension or new facilities are required.
- B. Within ninety (90) days for permanent residential service requiring a line extension.
- C. Extensions to other customer classes requiring line extensions may take longer than ninety (90) days.
- D. If a line extension is required by other than a large industrial or commercial electric Applicant or if facilities are not available, the Cooperative shall inform the Applicant within 10 working days of receipt of the application, giving the Applicant an estimated completion date.

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Any construction cost options such as rebates to the Applicant, sharing of construction costs between the utility and the Applicant, or sharing of costs between the Applicant and other Applicants shall be explained to the Applicant following assessment of necessary line work.

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320. Electric Energy

320.1 Delivery of Electric Energy

If Applicant/Member has satisfied all conditions and performed all obligations contained in the foregoing service rules, the Cooperative shall provide electric energy to Applicant/Member at the point of delivery. The Cooperative may limit the amount of electric energy furnished.

320.2 Characteristics of Electric Energy

A. Voltage

The Cooperative adopts the following standard voltages for distribution:

Single-Phase	Three-Phase
120 and 240	208, 240, 277 and 480

Insofar as practicable the Cooperative maintains its standard voltages within the variations permitted by the Public Utility Commission of Texas.

B. Frequency

The Cooperative provides alternating current at a standard frequency of 60 cycles per second. Except for infrequent and unavoidable fluctuations, the Cooperative maintains this standard frequency within one-tenth (1/10) of a cycle per second.

321. Method of Providing Service

321.1 Overhead Service Drop

Electric service is generally available to Applicants/Members throughout the Cooperative's service area from overhead distribution facilities. The Cooperative, however, may refuse to

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provide overhead service in any area where the Cooperative has or expects substantial investment in underground distribution facilities.

321.2 Underground Electric Service

Electric service from underground distribution facilities is available to Applicants (Members or Developers) requesting such service. In areas served by the Cooperative's underground distribution system, phase and voltage of electric service may be limited to that which can be provided by existing facilities. Underground conductors are usually connected to the Cooperative's overhead distribution facilities at a location outside the Applicant's premises or at a suitable location on the Applicant's premises. The location and routing of underground distribution facilities is determined by the Cooperative. The Underground Extensions and Conversions policy is contained in Section 305.6, which outlines the Cooperative's and Member's responsibilities.

321.3 Mobile Home Parks

In mobile home parks and similar installations the Cooperative provides electric service through individual meters to each space for each consuming facility. Either underground or overhead service may be provided.

321.4 Apartments

Electric service is provided through individual meters for each living unit or through one meter at each point of delivery for any number of living units.

321.5 Connections at Point of Delivery

The Cooperative makes connections of its conductors to Applicant's/Member's conductors only at the point of delivery.

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322. Continuity of Electric Service

322.1 Reasonable Diligence

The Cooperative uses reasonable diligence under standard utility practices to provide continuous and adequate service in accordance with the standards set forth in these rules.

322.2 Service Interruptions

Service interruptions may occur. The Cooperative shall make reasonable efforts to prevent service interruptions. When interruptions do occur the Cooperative shall re-establish service as soon as practicable.

The Cooperative may interrupt service to provide necessary civil defense or other emergency service in the event of a national emergency or local disaster. The Cooperative may also interrupt service as necessary for maintenance, repairs, construction, moving of buildings or oversized objects, relocation or changes of facilities, to prevent or alleviate an emergency which may disrupt operation of all or any portion of the Cooperative's system, to lessen or remove risk of harm to life or property, and to aid in the restoration of electric service.

322.3 Service Irregularities

Irregularities in service such as voltage surges may occur. Applicant/Member is responsible for installing and maintaining devices which protect his installation, equipment, and processes during periods of abnormal service conditions.

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322.4 Investigation of Service Interruptions and Irregularities

The Cooperative makes reasonable investigation of service interruptions and irregularities reported by a Member. Such investigation normally terminates at the point of delivery. If standard service voltage exists at this point and the Cooperative's service facilities are in good condition the Member shall be so advised. The Cooperative shall not be obligated to inspect Member's conductors, installation, or equipment.

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322.5 Limitation of Liability for Service Interruption, Irregularity and Force Majeure

The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Cooperative, including, but not limited to, acts of God, public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceedings or action, or any order of any commission, tribunal or governmental authority having jurisdiction. For claims resulting from failures, interruptions, or voltage and wave form fluctuations occasioned in whole or in part by the negligence of the Cooperative or its agent(s), the Cooperative shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electrical

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equipment proximately caused by the negligent acts of the Cooperative or its agent(s). The Cooperative shall not be liable in any event for consequential damages.

323. Member's Receipt and Use of Electric Energy

323.1 Receipt of Electric Energy

A. Exclusive Use

When electric service is available, Member shall purchase from the Cooperative all electric energy and service required to be used by Member from a single consuming installation.

Member may not connect his lines to another source of electric energy in a manner that may permit electric energy to flow into Cooperative's system from such source without a written agreement with the Cooperative. For experimental purposes and to aid in the orderly development of additional sources of energy, and in conjunction with providing service under any rate in its tariff, Cooperative may permit non-fossil, Member-produced electric energy to be fed back into Cooperative's system, provided that Member has paid for the necessary added metering and protective equipment.

B. Member's Installation

Member shall at all times maintain his installation in accordance with the National Electrical Code and Cooperative wiring specifications, as well as other applicable standards that may be imposed by law, ordinance, or regulation.

C. Liability for Injury and Damages

Member assumes full responsibility for electric energy furnished to him at and past the Point of Delivery and will indemnify the Cooperative against and hold the Cooperative harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises of the Member arising

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from electric power and energy delivered by Cooperative except (i) when the negligence of Cooperative or its agent or agents was the sole proximate cause of injuries, including death therefrom, to Member or to employees of a Member or in the case of a residential Member, to all members of the household; and (ii) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from (a) any negligence of Cooperative or its agent(s) independent of and unrelated to the maintenance of Cooperative's equipment or any condition on Member's premises or (b) the breach by Cooperative of any provision of any contract for electrical energy, service or facilities between Cooperative and Member.

323.2 Members Use of Electric Energy

A. Permitted Uses

Electric energy provided through Cooperative facilities shall be used by Member exclusively for the purpose or purposes specified in the availability clause of the rate schedule under which Member is receiving service and being billed.

B. Resale Prohibited

Member shall not resell electric energy unless specifically provided for in writing by the Cooperative.

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C. Interstate Transmission of Electric Energy Prohibited

The Cooperative does not provide electric service to any Member's installation any part of which is located outside the State of Texas or is connected to any conductors, all or part of which is located outside the State of Texas. Member shall not transmit electric energy provided by the Cooperative outside the State of Texas.

D. Uses Prohibited by Law

Member shall not use electric energy for any unlawful purpose or in such a manner that it may endanger life or property.

323.3 Member's Electrical Load

A. Load Balance

Cooperative requires Member to control the use of electric energy so that Cooperative's electrical load at the point of delivery is in reasonable balance.

B. Allowable Motor Starting Currents

The following motors may be started across-the-line if the starting current (which is the locked rotor current of the motor at nameplate voltage) does not exceed the limits given below:

Nominal <u>Nameplate Rating</u>	<u>Phase</u>	Maximum Locked <u>Rotor Current*</u>
115-volts	single	50 amperes
230-volts	single	200 amperes
200, 230 or 460 volts	single	200 amperes

Larger across-the-line starting currents than above may be permitted where Cooperative determines its facilities are adequate and the frequency of starts are such that other

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Member's service will not be adversely affected. Any motor starting devices are to be of a type approved by the Cooperative and are to be provided and installed by Member.

* Groups of motors starting simultaneously are classed as one motor.

C. Intermittent Electrical Loads

Electric service to equipment such as spot and arc welding machines, X-ray machines, arc-furnaces, elevators, dredges, locomotives, shovels, feed grinders, etc., whose use of electricity is intermittent and subject to violent fluctuations, is provided to such equipment as a part of Member's installation or by a transformer dedicated solely to that equipment and served as a separate account. Except for individual transformer type arc welders whose rated primary input current does not exceed 15 amperes at 120-volt operation or 30 amperes at 240-volt operation (38 amperes if Member is served by an individual transformer), Members contemplating the installation of such equipment are to make specific prior arrangements with Cooperative.

D. Equipment Necessary to Limit Adverse Effect

Cooperative may require Member to provide, at Member's expense, suitable apparatus to limit the effect of voltage fluctuations caused by electric equipment in Member's installation where Member is found to be operating electrical equipment which produces voltage fluctuations, interference or distorted wave forms which adversely affect electric service provided by Cooperative to Members. In lieu of requesting Member to install such suitable or special equipment limiting such adverse effect, Cooperative may, at its option, install at Member's cost, additional transformer capacity (which may or may not be dedicated solely to such Member) or other equipment specially designed to reasonably limit such adverse effect.

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E. Equipment Necessary to Limit Adverse Effect

A Member planning to use or using electric equipment such as computers, communication equipment, electronic control devices, etc., whose performances may be adversely affected by voltage fluctuations and distorted 60 Hertz wave forms is responsible for providing and installing the necessary facilities to limit these adverse effects.

F. Change in Member's Electrical Load

Member shall notify Cooperative when Member's electrical load is to be changed substantially in order that Cooperative may ensure its facilities are adequate.

323.4 Power Factor

If the power factor of Member's load is less than 100%, Cooperative may require Member to install appropriate equipment to maintain a unity power factor or at Cooperative's option, to reimburse Cooperative for installing the necessary equipment.

323.5 Access

Member will admit to Member's premises at all reasonable hours personnel authorized by Cooperative to inspect, install, remove, or replace Cooperative's property; to read Cooperative's meter; and to perform other activities necessary to provide electric service, including tree trimming and tree removal where such trees in the opinion of Cooperative constitute a hazard to Cooperative personnel or facilities, or jeopardize the provision of continuous electric service. The Cooperative shall have the right to install its service lock as necessary. Refusal on the part of Member to provide reasonable access for the above purposes may, at Cooperative's option, shall be sufficient cause for discontinuance of service.

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323.6 Protection of Cooperative's Facilities on Member's Premises

Member shall use reasonable diligence to protect Cooperative personnel and facilities on Member's premises.

Nothing shall be fastened or attached to Cooperative owned poles or other facilities, except for Member owned electrical service equipment and electrical conductors, which shall be permitted to be attached to Cooperative's meter pole at Member's point of delivery, in a manner consistent with National Electrical Code and Cooperative requirements.

In the event of loss of, or damage to, Cooperative facilities on Member's premises caused by or arising out of carelessness, neglect, or misuse by Member or unauthorized persons, Cooperative may require Member to reimburse the Cooperative the full cost of such damage.

324. Billing

The Member shall be obligated to pay for the total amount of charges for electric service shown on the Member's bill. Such charges shall be computed in accordance with the Cooperative's latest rate schedule or schedules applicable to the class or classes of service furnished to Member and these rules. The initial billing period shall start when the Member begins using electric power and energy, or thirty days after power is made available to the Member, whichever shall occur first.

324.1 Determining Usage of Electric Energy

Usage of electric energy (expressed as kWh) and/or the rate at which energy is used (expressed as kW) shall be determined by a meter reading. The meter reading is conclusive and establishes absolutely the amount of energy used or the rate at which energy is used unless it is shown by meter test that the meter was inoperative or inaccurate, in which case the meter reading shall be adjusted.

If the metering point is the delivery point, the meter reading shall not be otherwise adjusted.

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If the metering point is not the delivery point, the measured usage shall be adjusted to reflect actual usage, except when:

otherwise provided in the applicable rate schedule, or metering at primary voltage provides an economic benefit to the customer (i.e., qualification for a less costly service rate or avoidance of multiple metering resulting in a higher total bill) and the contract for service specifies that measured usage will not be adjusted for transformation and line losses. No primary discount shall be applied in these circumstances.

324.2 Meter Reading

The Cooperative uses an Automated Meter Infrastructure (AMI) system to read all Member revenue meters. These meters provide capability for reverse, forward, and net metering as required for the different customer requests. Specific meter type provide capability for consumption and demand metering.

324.3 Estimated Billing

When necessary, meter readings may be estimated by the Cooperative.

324.4 Meter Test and Accuracy Adjustment

Upon request of a Member and if he desires in the Member's presence or the presence of his authorized representative, the Cooperative shall make a test of the accuracy of Member's meter. The test shall be made during the Cooperative's normal working hours at a time convenient to the Member if he desires to observe the test. The test may be made on the Member's premises or at a test laboratory as determined by the Cooperative. Following completion of testing, the Cooperative shall promptly advise the Member of the date of removal of the meter, if removed, the date of the test, the result of the test, and who made the test. Should the results of the meter test show there is no issues with the meter, the member shall pay a test fee stated in Section 701.1.

324.5 Minimum Charges

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The Member will pay a minimum bill in accordance with the applicable rate schedule or Application and Agreement for Electric Service, whichever is greater, irrespective of the amount of electricity consumed, even if none is consumed. The minimum charge shall be in addition to any fuel cost adjustment charge, power cost adjustment charge or other billing adjustments. All billing adjustments shall be billed in addition to and exclusive of the minimum charge. If service is made available for any portion of a billing period the minimum charge for the entire billing period shall apply.

324.6 Terms of Payment

Each bill for utility service(s), regardless of the nature of the service(s), is due sixteen (16) days after issuance unless such day falls on a holiday or weekend, in which case payment is due on the next work day. If full payment is not received in the office of the Cooperative on or before the date such bill is due, the Member's account will be considered delinquent and subject to late payment fees and disconnection in accordance with these rules.

324.7 Disputed Bills

In the event of a dispute between a Member and the Cooperative regarding any bill for electric utility services, the Cooperative shall make such investigation as shall be required by the particular circumstances, and report the results thereof to the Member. In the event the dispute is not resolved, the Cooperative shall inform the Member of the complaint procedures of the Cooperative and the Commission. Members shall not be required to pay the disputed portion of the bill which exceeds Member's average monthly usage at current rates pending the resolution of the dispute, but in no event more than sixty (60) days. For purposes of this rule only, the Member's average monthly usage at current rates shall be the average of the Member's gross utility service for the preceding 12-month period. When no previous usage history exists, consumption for calculating the average monthly usage shall be estimated on the basis of usage levels of similar Members and under similar conditions.

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324.8 Deferred Payment Plan.

A deferred payment plan is any arrangement or agreement between the Cooperative and a Member in which an outstanding bill will be paid in installments that extend beyond the due date of the next bill. The Cooperative shall offer, upon request, a deferred payment plan to any residential Member who has expressed an inability to pay all of his or her bill, if that Member has not been issued more than two disconnection notices at any time during the preceding 12 months.

Every deferred payment plan entered into due to the Member's inability to pay the outstanding bill in full shall provide that service will not be discontinued if the Member pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid. A payment of not more than one-third of the total deferred amount may be required as a reasonable amount under this paragraph.

A deferred payment plan offered by the Cooperative, when reduced to writing, shall state immediately preceding the space provided for the Member's signature and in bold-face print at least two sizes larger than any other used thereon, that: "If you are not satisfied with this contract, or if agreement was made by telephone and you feel this contract does not reflect your understanding of that agreement, contact the Cooperative immediately and do not sign this contract. If you do not contact the Cooperative, or if you sign this agreement, you give up your right to dispute the amount due under the agreement except for the Cooperative's failure or refusal to comply with the terms of this agreement."

A deferred payment plan may include a five percent (5%) penalty for late payment but shall not include a finance charge.

If a Member has not fulfilled terms of a deferred payment agreement, the Cooperative shall have the right to disconnect service pursuant to the disconnection rules herein and under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

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A deferred payment plan may be made by visiting the Cooperative's business offices or contacting the Cooperative by telephone. If the Member visits the Cooperative's business office, the Cooperative may ask the Member to sign the deferred payment plan. The Cooperative must provide the Member with a copy of the signed plan. If the agreement is made over the telephone, the Cooperative shall send a copy of the plan to the Member. The Cooperative is not required to enter into a deferred payment plan with any Member who is lacking sufficient credit or a satisfactory history of payment for previous service when the Member has had service from the Cooperative for not more than three months.

325. Member Relations

325.1 Available Information

A. Facilities for Providing Electric Service

The Cooperative maintains at each of its business offices and makes available to Applicants and others entitled to the information a current set of maps, plans, and records showing the facilities available for service.

B. Tariffs

At each of its business offices, the Cooperative maintains and makes available for inspection, a copy of its current tariffs including all rate schedules and fees relating to service. A copy of any applicable portion of the tariff will be provided upon request at actual cost (see Section 701.1). Notice of the availability of such tariffs is posted in each business office in the same area where applications for service are received.

C. Meter Reading

Upon request, the Cooperative advises its Members of the method of reading meters.

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325.2 Member Complaints

- A. Upon complaint to the Cooperative by a Member either at its office, by letter or by telephone, the Cooperative shall promptly make a suitable investigation and advise the complainant of the results thereof.
- B. In the event the complainant is dissatisfied with the Utility's report, the Cooperative advises the complainant of the Public Utility Commission's complaint process.
- C. Upon receipt of a complaint, either by letter or by telephone from the Commission on behalf of a Member, the Cooperative shall make a suitable investigation and advise the Commission of the results thereof. Initial response to the Commission must be made within thirty (30) days.
- D. The Cooperative shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof for a period of two years subsequent to the final settlement of the complaint. Complaints with reference to rates or charges which require no further action by the Cooperative need not be recorded.

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340. Small Power Production

Sections 340-345 of this tariff apply to the interconnection and parallel operation of all small power generating installations. All installations must meet all system performance requirements as outlined in the Cooperative’s service rules and regulations and the Cooperative’s “*Procedures and Guidelines for Member-Owned Distributed Generation*” (DG Manual). 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.

341. Obtaining Interconnection

Any person owning or operating a small power generating installation (hereafter “Producer”) and desiring to interconnect with the Cooperative’s system shall:

341.1 Comply with Tariff

Become a Member of the Cooperative, provide an easement satisfactory to the Cooperative if required, and otherwise comply with the tariff of the Cooperative.

341.2 Apply for Interconnection, Pay Application Fee, and Provide Information

At least sixty (60) days in advance of the desired interconnection date, Producer shall submit the small power generator interconnection application including payment of any non-refundable application fee and provide a general plan of the proposed generation installation showing the electrical design of the generating installation including all major equipment for interconnection with the Cooperative’s system as required by and detailed in the DG Manual. In the case of multiple facilities, a separate application including required application fees

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shall be submitted by the Producer for each interconnection point desired. Producer shall also provide such additional information as may be reasonably required and requested by the Cooperative to evaluate the installation plan.

For new installations, a non-refundable application fee (see Section 703.6) will be required to be paid by the Producer before the Cooperative will consider the application, plus engineering review fees established on a case-by-case basis. A non-refundable Member Request Fee will be required to be paid by the Applicant taking over an existing installation. (see Section 701.6)

The Cooperative may, at its sole discretion, waive the required application fee and other provisions of this tariff in the case of a proposed generating installation which is planned (i) to be operated in parallel with the Cooperative’s system; (ii) with no intention to export power to the Cooperative; and (iii) that are of standard design and intended entirely as an emergency or back-up power supply for a facility.

In the event Producer’s plan involves the use of non-standard equipment or design techniques the Cooperative may require the Producer to obtain approval of the proposed generating installation plan by a professional engineer licensed in the state of Texas. 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 generating installations and does not warrant the efficiency, cost effectiveness, safety, durability or reliability of generating installations.

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341.3 Pay for Interconnection Study and Extension/Upgrade of Cooperative’s Facilities

In cases where the generation installation is to be operated in parallel with the Cooperative’s system and is intended to export power to the Cooperative’s system; the Cooperative at its sole discretion may conduct a full interconnection study to determine the impact of the generating facility on the Cooperative’s system as described in the DG Manual. The Producer will be required to reimburse the Cooperative for the full amount of the interconnection study in addition to any application fee(s). The Cooperative will bill the Producer for the exact cost of the study on a biweekly basis. The Cooperative will complete the interconnection study within sixty (60) days following receipt of a completed application and shall provide a copy of the study to the Producer. The Cooperative will undertake any interconnection study in the order in which the completed applications have been received by the Cooperative on a non-discriminatory basis.

Should the interconnection study indicate that portions of the Cooperative’s electrical power system will require extension or upgrade as a result of the parallel operation of the generation installation, the Cooperative will require the Producer execute a system upgrade contract covering the full costs of all upgrades or extensions of the Cooperative’s transmission, substation, distribution, transformation, metering, protective, or other facilities or equipment which at the sole discretion of the Cooperative is required to serve the generating installation before the Cooperative will interconnect the generating installation.

In the event it is necessary at some future time for the Cooperative in its sole discretion to modify its electric delivery systems in order to serve the Producer’s generating installation and/or purchase or continue to purchase the Producer’s output, or because the quality of the power provided by the Producer’s generating installation adversely affects the Cooperative’s delivery system, or the Cooperative desires to change primary voltage or make other change

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in its electric delivery system, the Producer will reimburse the Cooperative for all costs necessary to modify or change out any electrical equipment required to continue to safely establish the interconnection of the Producer’s generating installation with the Cooperative’s system after the electric delivery system modification is completed.

341.4 Facility Charge

The Producer may also be responsible for paying a facility charge as determined at the sole discretion of the Cooperative to recover any additional operation and maintenance expenses incurred by the Cooperative as a result of the Producer’s generating installation. The facility charge will be determined during the interconnection study on a non-discriminatory case-by-case basis.

341.5 Provide Liability Insurance and Waiver of Subrogation

When required by law, Producer, at Producer’s own expense, shall carry and maintain Worker’s Compensation insurance covering Producer’s employees. In such cases, Producer, at Producer’s own expense, shall be required to carry Employer’s Liability insurance. These coverages are to provide for the payment to Producer’s employees and/or their dependents Worker’s Compensation benefits, including Occupational Disease benefits in accordance with the law of the State of Texas. Producer hereby waives all rights of subrogation that Producer’s insurers may have against the Cooperative, and its directors, officers, and employees.

341.6 Sign Contract

Sign and deliver to the Cooperative an “*Agreement for Interconnection and Parallel Operation of Distributed Generation*” (Interconnection Agreement) for each interconnection point as detailed in the DG Manual. An Interconnection Agreement is required in all cases.

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341.7 Complete Construction

Construct the small power generating installation and install a disconnect switch and other protective equipment as may be required by the Cooperative to protect its personnel, facilities, and operations in accordance with the provisions of the DG Manual.

341.8 Comply with Laws

Comply with applicable federal, state, and local laws, ordinances and regulations applicable to the power generating installations being installed by the Producer.

341.9 Notify Cooperative

Notify the Cooperative in writing at least fourteen (14) days in advance of energizing the small power generating installation and permit the Cooperative or its agents to inspect and test any or all protective equipment required for the interconnection.

341.10 Eliminate Conditions Preventing Interconnection

In the event that it comes to the attention of the Cooperative that there are conditions preventing the safe interconnection and proper parallel operation of the Producer's generating installation, the Cooperative shall immediately notify Producer and Producer shall not interconnect and/or initiate parallel operation until such conditions are corrected to the Cooperative's satisfaction and Producer has provided at least ten (10) days written notice to the Cooperative of such correction.

341.11 Notice of Change in Installation

Producer will notify the Cooperative in writing at least thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the generating

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installation. If it comes to the Cooperative’s attention that the modification will create or has created conditions which may be unsafe or may adversely affect the Cooperative’s system then it shall notify Producer and Producer shall immediately correct such condition.

The foregoing are conditions precedent to any obligations of the Cooperative to interconnect the Producer’s proposed generating installation.

342. Parallel Operation and Technical Requirements

The following Section 342 outlines some of the technical requirements for interconnecting a small power producing installation with the Cooperative’s system. The DG Manual contains a complete description of the Cooperative’s technical interconnection and parallel operation standards and requirements.

342.1 Installation

With the exception of only the Cooperative’s meter(s), the Producer shall own and solely be responsible for all expense, installation, maintenance and operation of the small power generating installation at and beyond the point where Producer’s generating installation shall be designed and installed in accordance with applicable codes, regulations, the Cooperative’s standards as provided in the DG Manual, and prudent engineering practice.

342.2 Self Protected Generating Installation

The Producer (at Producer’s expense) will furnish, install, operate, and maintain in good order and repair all equipment necessary for the safe operation of the small power generating installation in parallel with the Cooperative’s electric 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 generating installation from the Cooperative’s

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system in the event of an outage of the Cooperative’s system or a malfunction of the small power generating installation.

The Producer’s small power generating installation will also be designed, installed and maintained to be self-protected from normal and abnormal conditions in the Cooperative’s electric system. The conditions for which the power generating installation shall be self-protected shall include, but not be limited to, over-voltage, under-voltage, overcurrent, frequency deviation, 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 generating installation characteristics and/or electric power system characteristics so warrant. The Producer shall be responsible for the costs of any specialized protective functions.

342.3 Quality of Service

Producer’s generating installation will provide power at the nominal voltage of the Cooperative’s electric system at the Producer’s delivery point plus or minus five percent (5%) at the nominal system frequency of 60 Hz plus or minus one-tenth (1/10) Hz. Producer shall interconnect at a power factor that is at or near one hundred percent (100%) as is practicable. In the event the Producer’s power factor is less than ninety percent (90%) lagging or leading, the Producer will provide proper power factor correction (within ten percent (10%) of unity) or reimburse the Cooperative 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 system is not adversely affected in any manner. In the event that the adverse effects are caused in whole or in part by

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Producer’s power generating installation, the Producer will correct the cause of such effects or reimburse the Cooperative for the cost of any required correction.

342.4 Safety Disconnect

The Producer or the Cooperative shall provide and install, at the Producer’s expense, a visible break disconnect switch. The disconnect switch will be located so as to be readily accessible to Cooperative personnel at all times 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 power generating installation adversely affects the Cooperative’s electric 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 for the protection of the Cooperative’s system even if it affects Producer’s generating installation. In the event the Cooperative opens and closes the disconnect switch the Cooperative shall not be responsible for energization or restoration of parallel operation of the generating installation. The Cooperative will make reasonable efforts to notify the Producer in the event the disconnect switch has been operated. The Producer will not bypass the disconnect switch at any time for any reason.

342.5 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 at any time. Such entry onto the Producer’s property may be without notice. If the Producer erects or maintains locked gates or other barriers, the Producer will furnish the Cooperative with convenient means to circumvent the barrier for access to the disconnect switch and meter(s).

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342.6 Reserved for future use

342.7 Data Access – Communications Link

The Distribution Generation Customer will provide the Cooperative, at DG Customer’s expense, a communications link as approved at the sole discretion of the Cooperative for remotely monitoring DG output using the BEC approved hardware and Apolloware© Software. The Member shall purchase the required hardware and software from BEC to enable monitoring of Distributed Generation. The revenue class 1 meter shall be MuNet® TCP/IP Ethernet compatible, or equivalent as defined by BEC. The BEC Apolloware© software shall interface with member DG system and provide BEC a method to monitor DG output, to ensure safe operation and to ensure no degradation is occurring due to DG operation. The member is responsible for the meter and software to be installed at their facility. This system requires an internet connection for BEC to remotely monitor operation. BEC will provide the detailed costs of the hardware and the software on a case-by-case basis.

343. Reserved for future use

344. Sales to Producer

All sales of electric power and energy by the Cooperative to the Producer shall be consistent with the applicable retail rate schedule established by the Cooperative as if there were no small power generating installation at the Producer’s premise, including any additional charges provided for small power generating installations described by the Cooperative in the Producer’s contract for service. The Producer shall also pay all rates and charges so listed in the applicable tariff sections.

345. Purchases from Producer

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Refer to Section 202.7 and 703.6 for rates.

345.1 Refusal to Purchase

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 its power supplier(s).

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 facility. Such refusal shall be based on system emergency constraints, special operating requirements, and adverse effects of the Producer’s facility on the Cooperative’s system or violation by the Producer of the terms of the Application for Interconnection and Operation of Member-Owned Generation.

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350. Member Initiated Discontinuance of Service

350.1 Member's Request

Any Member desiring to discontinue electric utility service from the Cooperative shall contact any office of the Cooperative and provide the service location where discontinuance is desired and the date service is requested to be discontinued.

350.2 Disconnection

Following notice of Member's request for discontinuance of service the Cooperative shall disconnect service. Where practicable disconnection is usually made on the date requested by the Member, however, the Cooperative shall not be obligated to make disconnection earlier than the second full business day following receipt of Member's request.

351. Cooperative Initiated Discontinuance

351.1 Reasons for Discontinuance

The Cooperative may discontinue service to a Member under any of the following circumstances:

A. Nonpayment of a Bill

If the Member fails or refuses to pay a delinquent account for electric service (whether or not based upon estimated billing).

or

B. Deferred Payment Plan

If Member fails to perform any obligation under the terms of a deferred payment agreement.

or

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C. Interference with Service

If Member violates any rule pertaining to the use of electric service in a manner which interferes with or is likely to cause interference with electric service to other Members or operates nonstandard equipment, provided that the Cooperative has made a reasonable effort to notify the Member and provided there has been a reasonable opportunity to remedy the situation.

or

D. Failure to Make Application for Service

If Member fails or refuses to make application for service in accordance with these rules in Member's true name.

or

E. Failure to Comply With Contract

If Member fails or refuses to perform any obligation contained in Member's Application and Agreement for Electric Service, including this tariff or any applicable easement.

or

F. Refusal of Access

If Member fails or refuses to provide the Cooperative reasonable access to its facilities located on Member's premises.

or

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G. Comply with Law

If it comes to the Cooperative's attention that Member has failed or refused to comply with any applicable Federal, State, County, Municipal, or other law, ordinance, rule or regulation.

or

H. Backbilling

If Member fails or refuses to timely pay any billing authorized by these rules resulting from previous underbilling (whether caused by meter inaccuracy or failure to register, misapplication of rates or otherwise). Utility service may not be disconnected for failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing.

or

I. Default on Guaranty Agreement

If a Member has signed a written Guaranty Agreement for another Member or Applicant and fails or refuses to pay the amount due on the guaranteed account when requested to do so by the Cooperative.

or

J. Hazardous Condition

If it comes to the Cooperative's attention that a hazardous condition exists in Member's installation or equipment.

or

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K. Meter Tampering and Unauthorized Use of Energy

If Cooperative's meter which serves Member has been tampered with or bypassed; or Member uses or disposes of electric energy in a manner not authorized in these rules or the rate schedule under which Member receives service; or there has been a theft of electric service or violation of Section 28.03 of the Penal Code of the State of Texas. Cooperative is not liable for injury to Member or Member's employees resulting from tampering with or attempting to repair or maintain any of the Cooperative's facilities.

Member agrees to pay such statement or statements reflecting the highest estimated usage of electricity by Member for the longest period of time such tampering, bypassing or unauthorized use may have continued plus all labor, material and equipment necessary to inspect, test, repair, or replace the Cooperative's facilities.

or

L. Deposit

If Member fails to comply with deposit requirement.

351.2 Notice of Disconnection

A. Nonpayment of a Bill

Except as provided in these rules, the Cooperative issues proper notice prior to discontinuance of service. Such notice may be mailed or hand delivered at the Member's installation or premises where service is proposed to be disconnected. Such notice shall state the earliest date service may be disconnected.

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B. Proper Notice Prior to Disconnection for Nonpayment

If a Member fails or refuses to pay the Cooperative in accordance with the provisions of the Application and Agreement for Electric Service, service rules, applicable rate schedule, deferred payment agreement, or guaranty agreement, then notice shall be given by separate mailing to Member or hand delivery at Member's installation or premises at least eight (8) days prior to the earliest date of disconnection. The information included in the notice shall be provided in English and Spanish as necessary to adequately inform the Member. If mailed, the earliest date of disconnection may not fall on a holiday or weekend, but shall fall on the next work day after the eighth day. The Cooperative shall not issue late notices or disconnect notice to the Member 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 or at the utility's authorized payment agency.

C. Disconnection Without Notice

Electric service may be disconnected without any notice to Member if (1) a hazardous condition exists in their installation or equipment (2) the meter has been tampered with or bypassed (3) they fail or refuse to make application for service (4) service is connected without authority by a person who has not made application.

D. Disconnection After Proper Notice

Electric service may be disconnected if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation for (1) failure or refusal to pay a delinquent account (2) fails to perform any obligation under the terms of a deferred payment agreement (3) fails or refuses to perform any obligation contained in Member's Application and Agreement for Electric Service (4) fails or refuses to provide the Cooperative reasonable access to its facilities located on Member's premises (5)

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it comes to the Cooperative's attention that they have failed or refused to comply with any applicable Federal, State, County, Municipal, or other law, ordinance, rule or regulation (6) fails or refuses to timely pay any billing authorized by these rules resulting from previous underbilling (whether caused by meter inaccuracy or failure to register, misapplication of rates or otherwise) (7) 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 or (8) fails to comply with deposit requirements.

351.3 Postponement of Disconnection--Medical

The Cooperative will not discontinue service to a delinquent residential Member permanently residing in an individually metered dwelling unit when that Member establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is discontinued. Any Member seeking to avoid termination of service under this rule must make a written request supported by a written statement from a licensed physician. The Member must contact the utility within 15 days of issuance of bill to apply for this program. A written statement from a licensed physician must be received within 23 days from the issuance of the bill. The prohibition against discontinuance of service provided by this rule shall last sixty-three (63) days from the issuance of the Cooperative's bill or such lesser period as may be agreed upon by the Cooperative and the Member. The Member who makes such request shall sign an installment agreement which provides for payment of such service along with the timely payments for subsequent monthly billings.

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351.4 Effect of Discontinuance of Service

A. Member's Obligations

Discontinuance of service shall not relieve Member from any obligation to the Cooperative or lessen or change any obligation in any manner.

B. Cooperative's Rights

Discontinuance of service shall not reduce, diminish, or eliminate any legal right or remedy accruing to the Cooperative on or before the date of discontinuance, nor shall discontinuance operate as a waiver of any legal right or remedy.

Failure of Cooperative to discontinue electric service at any time after default or breach of this tariff, or to resort to any legal remedy or its exercise of any one or more of such remedies does not affect the Cooperative's right to resort thereafter to any one or more of such remedies for the same or any default or breach by Member.

351.5 Dismantling of Cooperative Facilities

The Cooperative may, upon discontinuance of electric service to Member, dismantle and remove all lines, equipment, apparatus, or other facilities which the Cooperative may have installed to provide electric service to Member. The Cooperative may, however, abandon in place in whole or in part its underground lines and equipment in lieu of removing such facilities.

351.6 Liability for Discontinuance of Service

The Cooperative shall not be liable for any damages of any kind or character resulting from discontinuance or disconnection made pursuant to these rules.

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351.7 Refund of Membership fee

Within a reasonable time after discontinuance of service to a Member, the Cooperative shall make reasonable efforts to refund the membership fee if Member is no longer required to maintain his membership, provided all electric energy and other charges owed by the Member to the Cooperative are paid.

351.8 Refund of Deposit

Within a reasonable time after discontinuance of service the Cooperative shall promptly and automatically refund the Member's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. A transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these sections, and no additional deposit may be demanded unless permitted by these sections. Refer to Section 302.3 for refund of interest on deposits.

When the Member has paid bills for service for 12 consecutive residential billings or for 24 consecutive or industrial billings without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent, and when the Member is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the Member in the form of cash or credit to a Member's bill, or void the guarantee. If the Member does not meet these refund criteria, the deposit and interest may be retained.

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351.9 Disconnection Prohibited

Electric service may not be disconnected for any of the following reasons:

- A. Delinquency in payment for electric service by a previous occupant of the premises.
- B. Failure to pay for merchandise, or charges for nonutility service provided by the Cooperative.
- C. Failure to pay for a different type or class of Cooperative service unless fee for such service is included on the same bill.
- D. Failure to pay the account of another Member as guarantor thereof, unless the Cooperative has in writing the guarantee as a condition precedent to service.
- E. Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billing.
- F. Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under Sub. Rule 23.47(e).
- G. Failure to pay an estimated bill other than a bill rendered pursuant to an approved meter-reading plan, unless the Cooperative is unable to read the meter due to circumstances beyond its control.

351.10 Disconnection on Holidays or Weekends

Unless a dangerous condition exists, or unless the Member requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the Cooperative are not available to the public for the purpose of making collections and reconnecting service.

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370. Definitions.

- Ampere.
A unit of measure pertaining to the intensity or rate of flow of electric current.

- Applicant.
A person requesting electric service from the Cooperative in the manner prescribed in the Cooperative's service rules and regulations.

- AMI.
Advanced Metering Infrastructure.

- Availability Charge.
The Cooperative's minimum charge in providing and maintaining electric service.

- Avoided Wholesale Power Costs
The Cooperative's avoided wholesale power cost will be calculated by dividing the prior year's total power purchase cost (excluding demand costs, transmission costs, ERCOT and related fees, and distribution costs) by the prior year's total kWh's purchased.

- Capacity Charge (Demand Charge per Billing kW).
The maximum kilowatt demand measured for any period of fifteen (15) consecutive minutes during the billing period.

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- Commission.
The Public Utility Commission of Texas.
- Cooperative.
Bandera Electric Cooperative, Inc. its agents or assigns.
- Delivery/Distribution Charge.
The base retail cost (expressed in \$/kWh) established in a given rate.
- Distributed Generation (DG).
Electric generation facilities connected to an Area Electric Power System (EPS) through a Pont of Common Coupling (PCC).
- Distribution System.
The Cooperative's primary and secondary voltage conductors, transformers, switchgear, connection enclosures, pedestals, services, and other associated equipment used to provide electric service.
- Electric Reliability Council of Texas (ERCOT).
Manages the flow of electric power to Texas consumers as an independent system operator in North America.

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- Electric Service.
Electric power and energy produced, or transmitted, or distributed, or provided, or made available by the Cooperative at the point of delivery together with all services and functions performed by the Cooperative.
- Electronic Power System (EPS)
Facilities that deliver electric power to a load.
- Electric Energy.
The capacity for doing work. The unit for measuring electrical energy is the watthour, or kilowatthour (kWh), which is 1,000 watthours.
- Energy Charge.
The basic wholesale charge (expressed in \$/kWh) established in a given rate.
- Facilities.
All the plant and equipment of the Cooperative, including all tangible and intangible real and personal property without limitation, and any and all means and instrumentalities in any manner owned, operated, leased, licensed, used, controlled, furnished, or supplied for, by or in conjunction with the business of the Cooperative, including any construction work in progress allowed by the Public Utility Commission of Texas.
- Fuel Cost Adjustment.
An adjustment (positive or negative and expressed in \$/kWh) that is applied to the Energy Charge to reflect the current cost of wholesale power.

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- Hertz (Hz).
The unit of frequency in the international system of units defined as the number of cycles per second of a periodic wave.
- Kilovoltampere (kVA).
A unit of measure equal to one kilowatt (kW).
- Kilowatt (kW).
A unit of measure pertaining to the strength or amount of power produced or used by various electrical devices. One kilowatt equals 1,000 watts.
- Kilowatthour (kWh).
A unit of measure to describe the use of one kilowatt of electricity for a one hour period.
- Light-Emitting Diode (LED).
A semiconductor diode that emits light when conducting current and is used in electronic equipment.
- Line Loss
Distribution Power losses are a combination energy dissipated in conductors and equipment used for transmission and distribution of power.
- Member.
Any person having paid a membership fee and having been accepted as a Member under the terms and conditions of the Cooperative's Bylaws.

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- Member's Installation.
All conductors, equipment, buildings, structures, or apparatus of any kind on Member's side of point of delivery, except only Cooperative's metering equipment.
- Meter.
A device, or devices, together with auxiliary equipment, for measuring electric energy usage and/or demand and/or other data.
- Municipality.
A city, incorporated village, or town, existing, created, or organized under the general, home rule, or special laws of the state.
- Megawatt (MW).
A unit of measure pertaining to the strength or amount of power produced or used by various electrical devices. One megawatt equals 1,000 kilo watts or one (1) million watts.
- Non-Permanent Installation or Intermittent Use Installation.
Any installation other than a permanent installation.
- Parties.
The Cooperative and an Applicant or Member.
- Permanent Installation.
Any installation that is constructed or placed on and permanently affixed to a foundation, and which is, or will be, used or occupied on a permanent full-time basis. A manufactured home or prefabricated structure shall qualify as permanent installation only if it is installed

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on a foundation system according to the regulations of the Texas Department of Labor and Standards or is otherwise impractical to move and has the wheels, axles, and hitch or towing device removed, and if it is connected to a permanent water and sewer system.

- Person.
Any natural person, partnership, municipal corporation, cooperative cooperation, corporation, association, governmental subdivision, or public or private organization of any character.
- Point of Common Coupling (PCC).
The point where a local EPS is connected to an area EPS.
- Point of Delivery.
The point where the Cooperative's conductors are connected to the Member's conductors. The drip loop/top of weatherhead is the Point of Delivery for overhead installations, and the meter pedestal is the Point of Delivery for underground installations.
- Power Generating Installation, Generating Installation.
Shall mean a small power production or cogeneration facility which has a design capability of 1 MW or less of connected generation including any generator, and associated equipment, wiring, protective devices, or switches, or switches owned or operated by Producer.

BANDERA ELECTRIC COOPERATIVE, INC. Tariff for Electric Service		Section III	Sheet No.: 98.0
<u>SECTION TITLE:</u> SERVICE RULES AND REGULATIONS Part 3 – Definitions APPLICABLE TO ALL AREAS SERVED		ADOPTED DATE: December 17, 2014 EFFECTIVE DATE: January 1, 2014	

- Power Factor.
Power Factor is the ratio of real power to apparent power. It represents the cosine of the phase angle between the voltage and current waveform. Real Power is consumed by load and apparent power is what is needed between supplier and load to transfer real power to load.
- Producer.
Means any person, firm, corporation, partnership, or other entity owning or operating a power generating installation.
- Producer.
Means any person, firm, corporation, partnership, or other entity owning or operating a power generating installation.
- Premises.
A tract of land or real estate including buildings or other appurtenances thereon.
- Public Utility Commission of Texas (PUCT).
Regulates the state's electric and telecommunication utilities, implements respective legislation and offers customer assistance in resolving consumer complaints.
- Rate Schedules.
Any schedule of rates approved by the Public Utility Commission of Texas and contained in Section II of this tariff these tariffs.

BANDERA ELECTRIC COOPERATIVE, INC. Tariff for Electric Service		Section III	Sheet No.: 99.0
<u>SECTION TITLE:</u> SERVICE RULES AND REGULATIONS Part 3 – Definitions APPLICABLE TO ALL AREAS SERVED		ADOPTED DATE: December 17, 2014 EFFECTIVE DATE: January 1, 2014	

- Recreational Vehicle (RV).
The usual term for a motor vehicle or trailer equipped with living space and amenities found in a home.
- Regulatory Authority.
In accordance with the context where it is found, either the Public Utility Commission of Texas, or the governing body of any municipality.
- Residence.
A room or rooms suitable for occupancy as a residence, containing kitchen and bathroom facilities.
- Service Rules and Regulations.
Any service rule or regulation of the Cooperative approved by the Public Utility Commission of Texas and contained in Section III of this tariff.
- Service Area.
The area or territory in which the Cooperative provides electric utility service.
- Service Entrance Conductors.
Conductors provided by the Member extending from Member's electrical equipment to the point of delivery where connection is made to the Cooperative's conductors.
- Tariff.
All provisions of this document including but not limited to provisions regarding (1) Utility Operations; (2) Rate Schedules and Charges; (3) Service Rules and Regulations; and (4) Forms.

BANDERA ELECTRIC COOPERATIVE, INC. Tariff for Electric Service		Section III	Sheet No.: 100.0
<u>SECTION TITLE:</u> SERVICE RULES AND REGULATIONS Part 3 – Definitions APPLICABLE TO ALL AREAS SERVED		ADOPTED DATE: December 17, 2014 EFFECTIVE DATE: January 1, 2014	

- TBU (Time Based Usage).
Applies to usage over broad blocks of hours where the costs for each period is predetermined and constant.

- Volt.
A unit or measure that describes the pressure or force that causes the movement of electricity.

- Watt.
A unit of measure of the rate of electricity usage.

**APPENDIX A:
BEC COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL
OPERATION OF DISTRIBUTED GENERATION**

***SHORT FORM CONTRACT
APPLICABLE FOR LOADS LESS THAN OR EQUAL TO 50 KW IN SIZE AND OF
STANDARD MANUFACTURE AND DESIGN***

This Interconnection Agreement (“Agreement”) is made and entered into this ____ day of _____, 20____, by Bandera Electric Cooperative, Inc., (“Cooperative”), an electric cooperative corporation organized under the laws of Texas and _____ (“DG Owner/Operator”), each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties”. In consideration of the mutual covenants set forth herein, the Parties agree as follows:

The provisions of the BEC Procedures and Guidelines Manual for Member-Owned Distributed Generation shall be considered to be a part of this contract.

This agreement provides for the safe and orderly operation of the electrical facilities interconnecting the DG Owner/Operator’s facility at _____
_____ and the electrical distribution facility owned by the Cooperative.

This Agreement does not supersede any requirements of any applicable tariffs in place between the DG Owner/Operator and the Cooperative.

1. **Intent of Parties:** It is the intent of the DG Owner/Operator to interconnect an electric power generator to the Cooperative’s electrical distribution system.

It is the intent of the Cooperative to operate the distribution system to maintain a high level of service to their customers and to maintain a high level of power quality.

It is the intent of both parties to operate the facilities in a way that ensures the safety of the public and their employees.

2. **Establishment of Point of Interconnection:** The point where the electric energy first leaves the wires or facilities owned by the Cooperative and enters the wires or facilities provided by DG Owner/Operator is the "Point of Interconnection." Cooperative and DG Owner/Operator agree to interconnect the Facilities at the Point of Interconnection in accordance with the Cooperative's Rules and Regulations and DG Manual relating to interconnection of Distributed Generation (the "Rules") and as described in the attached Exhibit A. The interconnection equipment installed by the customer ("Interconnection Facilities") shall be in accordance with the Rules as well.

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3. **Operating authority:** The DG Owner/Operator is responsible for establishing operating procedures and standards within their organization. The operating authority for the DG Owner/Operator shall ensure that the Operator in Charge of the generator is competent in the operation of the electrical generation system and is aware of the provisions of any operating agreements and regulations relating to the safe operation of electrical power systems.

The operating authority for the DG Owner/Operator is:

Name or title of operating authority _____
 Address _____
 Phone number _____

4. **Operator in Charge:** The operator in charge is the person identified by name or job title responsible for the real time operation of all electrical facilities related to the interconnection and owned by their organization.

The operator in charge for the DG Owner/Operator is:

Name or title of operating authority _____
 Address _____
 Phone number _____

5. Limitation of Liability and Indemnification:

- a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to DG Owner/Operator and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to DG Owner/Operator shall be limited as set forth in the Cooperative's tariffs and terms and conditions for electric service, which are incorporated herein by reference.
- b. Neither Cooperative nor DG Owner/Operator shall be liable to the other for damages for any act or omission that is beyond such party's control, including, but not limited to, any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, explosion, breakage or accident to any part of the System or to any other machinery or equipment, a curtailment, law, order, or regulation or restriction by governmental, military, or lawfully established civilian authorities.
- c. Notwithstanding Paragraph 5.b of this Agreement, the DG Owner/Operator shall assume all liability for, and shall indemnify Cooperative for, any claims, losses, costs, and expenses of any kind or character to the extent that they result from DG Owner/Operator's negligence or other wrongful conduct in connection with the design, construction or operation of the Facilities or Interconnection Facilities. Such indemnity shall include, but is not limited to, financial responsibility for (a) monetary losses; (b) reasonable costs and expenses of defending an action or claim;

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- (c) damages related to death or injury; (d) damages to property; and (e) damages for the disruption of business. This paragraph does not create a liability on the part of the DG Owner/Operator to the Cooperative or a third person, but requires indemnification where such liability exists.
 - d. Cooperative and DG Owner/Operator shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines, wires, switches, or other equipment or property on their respective sides of the Point of Interconnection. The Cooperative, while retaining the right to inspect, does not assume any duty of inspecting the DG Owner/Operator's lines, wires, switches, or other equipment or property and will not be responsible therefore. DG Owner/Operator assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the Point of Interconnection.
 - e. For the mutual protection of the DG Owner/Operator and the Cooperative, only with Cooperative's prior written authorization are the connections between the Cooperative's service wires and the DG Owner/Operator's service entrance conductors to be energized.
6. **Metering:** Metering shall be accomplished as described in the Cooperative's DG Manual.
7. **Insurance:** Insurance shall be required as described in the Cooperative's DG Manual.
8. **Suspension of Interconnection:** It is intended that the interconnection should not compromise the Cooperative's protection or operational requirements. The operation of the DG Owner/Operator's System and the quality of electric energy supplied by the DG Owner/Operator shall meet the standards as specified by the Cooperative. If the operation of the DG Owner/Operator's system or quality of electric energy supplied (in the case of power export), does not meet the standards as specified, then (the Cooperative) will notify the DG Owner/Operator to take reasonable and expedient corrective action. The Cooperative shall have the right to disconnect the DG Owner/Operator's System, until compliance is reasonably demonstrated. Notwithstanding, the Cooperative may in its sole discretion disconnect the DG Owner/Operator's generating plant from the Distribution Facility without notice if the operating of the Generating Plant may be or may become dangerous to life and property.
9. **Compliance with Laws, Rules and Tariffs:** Both the Cooperative and the DG Owner/Operator shall be responsible for complying with all applicable laws, rules and regulations, including but not limited to the laws of the state of TEXAS, and the Cooperative's DG Manual, Tariffs, Rules and Regulations, By-Laws and other governing documents. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules of the Cooperative as applicable to the electric service provided by the Cooperative, which tariffs and rules are hereby incorporated into this Agreement by this reference. The Cooperative shall

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have the right to change any rate, classification, service or rule, in the manner allowed by law.

10. **Maintenance Outages:** Maintenance outages will occasionally be required on the Cooperative’s system, and the Cooperative will provide as much notice and planning as possible to minimize downtime. It is noted that in some emergency cases such notice may not be possible. Compensation will not be made for unavailability of Cooperative’s facilities due to outages.

11. **Access:** Access is required by the Cooperative to the DG Owner/Operator’s plant site for maintenance, operating and meter reading. The Cooperative reserves the right, but not the obligation, to inspect the DG Owner/Operator’s facilities.

12. **Force Majeure:** For the purposes of this Agreement, a Force Majeure event is any event:

(a) that is beyond the reasonable control of the affected party; and (b) that the affected party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent that they satisfy the preceding requirements: acts of war, public disorder, rebellion or insurrection; floods, hurricanes, earthquakes, lightning, storms or other natural calamities; explosions or fires; strikes, work stoppages or labor disputes; embargoes; and sabotage. If a Force Majeure event prevents a party from fulfilling any obligations under this agreement, such party will promptly notify the other party in writing and will keep the other party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected party is taking to mitigate the effect of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.

13. **Term:** This document is intended to be valid for a period of two (2) years. It may be canceled by either party with 30 days notice to the other party.

AGREED TO BY

DG Owner/Operator

BEC Cooperative Representative

Name

Name

Title

Title

Date

Date

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APPENDIX B:

**BEC COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL
OPERATION OF DISTRIBUTED GENERATION**

LONG FORM CONTRACT

***APPLICABLE FOR LOADS GREATER THAN 50 KW AND LESS THAN 1.0MW
AND/OR NOT OF STANDARD MANUFACTURE AND DESIGN***

This Interconnection Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by Bandera Electric Cooperative, Inc., ("Cooperative"), a corporation organized under the laws of Texas, and _____ ("DG Owner/Operator"), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

The provisions of the BEC Procedures and Guidelines Manual for Member-Owned Distributed Generation shall be considered to be a part of this contract.

This Agreement does not supersede any requirements of any applicable tariffs in place between the DG Owner/Operator and the Cooperative.

1. **Scope of Agreement** -- This Agreement is applicable to conditions under which the Cooperative and the DG Owner/Operator agree that one or more generating facilities (described in Exhibit A) owned by the DG Owner/Operator of between 50kW < Load ____ kW < 10MW or less, to be interconnected at ____ kV or less ("Facilities") may be interconnected to the Cooperative's electric power distribution system ("System").

The provisions of the Cooperative's Distributed Generation Manual shall be considered to be a part of this contract.

2. **Establishment of Point of Interconnection** - The point where the electric energy first leaves the wires or facilities owned by the Cooperative and enters the wires or facilities provided by DG Owner/Operator is the "Point of Interconnection." Cooperative and DG Owner/Operator agree to interconnect the Facilities at the Point of Interconnection in accordance with the Cooperative's Rules and Regulations and DG Manual relating to interconnection of Distributed Generation (the "Rules") and as described in the attached **Exhibit A**. The interconnection equipment installed by the customer ("Interconnection Facilities") shall be in accordance with the Rules as well.

3. **Responsibilities of Cooperative and DG Owner/Operator for Installation, Operation and Maintenance of Facilities** - DG Owner/Operator will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for, its Facilities, unless otherwise specified on Exhibit A. DG Owner/Operator shall conduct operations of its

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Facilities in compliance with all aspects of the Rules, and Cooperative shall conduct operations of its electric distribution facilities in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facilities Schedule. Maintenance of Interconnection Facilities shall be performed in accordance with the applicable manufacturers' recommended maintenance schedule. The DG Owner/Operator agrees to cause its Interconnection Facilities to be constructed in accordance with specifications equal to or better than those provided by the National Electrical Safety Code and the National Electrical Code, both codes approved by the American National Standards Institute, in effect at the time of construction.

The DG Owner/Operator covenants and agrees to cause the design, installation, maintenance, and operation of, its Interconnection Facilities so as to reasonably minimize the likelihood of a malfunction or other disturbance, damaging or otherwise affecting or impairing the System. DG Owner/Operator shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation and operation of its Facilities.

Cooperative will notify DG Owner/Operator if there is evidence that the Facilities' operation causes disruption or deterioration of service to other customer(s) served from the System or if the Facilities' operation causes damage to the System. DG Owner/Operator will notify the Cooperative of any emergency or hazardous condition or occurrence with the DG Owner/Operator's Facilities, which could affect safe operation of the System.

4. **Operator in Charge** - The Cooperative and the DG Owner/Operator shall each identify an individual (by name or title) who will perform as "Operator in Charge" of the facilities and their section of the Interconnection Facilities. This individual must be familiar with this Agreement as well as provisions of other agreements and any regulations that may apply.

5. **Limitation of Liability and Indemnification**

- a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to DG Owner/Operator and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to DG Owner/Operator shall be limited as set forth in the Cooperative's tariffs and terms and conditions for electric service, which are incorporated herein by reference.
- b. Neither Cooperative nor DG Owner/Operator shall be liable to the other for damages for any act or omission that is beyond such party's control, including, but not limited to, any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, explosion, breakage or accident to any part of the System or to any other machinery or equipment, a curtailment, law, order, or regulation or restriction by governmental, military, or lawfully established civilian authorities.

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- c. Notwithstanding Paragraph 5.b of this Agreement, the DG Owner/Operator shall assume all liability for, and shall indemnify Cooperative for, any claims, losses, costs, and expenses of any kind or character to the extent that they result from DG Owner/Operator's negligence or other wrongful conduct in connection with the design, construction or operation of the Facilities or Interconnection Facilities. Such indemnity shall include, but is not limited to, financial responsibility for (a) monetary losses; (b) reasonable costs and expenses of defending an action or claim; (c) damages related to death or injury; (d) damages to property; and (e) damages for the disruption of business. This paragraph does not create a liability on the part of the DG Owner/Operator to the Cooperative or a third person, but requires indemnification where such liability exists.
- d. Cooperative and DG Owner/Operator shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines, wires, switches, or other equipment or property on their respective sides of the Point of Interconnection. The Cooperative, while retaining the right to inspect, does not assume any duty of inspecting the DG Owner/Operator's lines, wires, switches, or other equipment or property and will not be responsible therefore. DG Owner/Operator assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the Point of Interconnection.
- e. For the mutual protection of the DG Owner/Operator and the Cooperative, only with Cooperative prior written authorization are the connections between the Cooperative's service wires and the DG Owner/Operator's service entrance conductors to be energized.
6. **Design Reviews and Inspections** - The DG Owner/Operator shall provide to the Cooperative the following documentation and inspection results:
- a. One-Line Diagram. The diagram shall include at a minimum, all major electrical equipment that is pertinent to understanding the normal and contingency operations of the DG Interconnection Facilities, including generators, switches, circuit breakers, fuses, protective relays and instrument transformers.
- b. Testing Records. Testing of protection systems shall be limited to records of compliance with standard acceptance procedures and by industry standards and practices. These records shall include testing at the start of commercial operation and periodic testing thereafter.
7. **Right of Access, Equipment Installation, Removal & Inspection** - The Cooperative may send an employee, agent or contractor to the premises of the DG Owner/Operator at any time whether before, during or after the time the Facilities first produces energy to inspect the Interconnection Facilities, and observe the Facility's installation, commissioning (including any testing), startup, and operation.

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At all times Cooperative shall have access to DG Owner/Operator's premises for any reasonable purpose in connection with the interconnection described in this Agreement, the Rules, or to provide service to its customers.

8. **Confidentiality of Information** - Unless compelled to disclose by judicial or administrative process, or by other provisions of law or as otherwise provided for in this Agreement, the DG Owner/Operator and the Cooperative will hold in confidence any and all documents and information furnished by the other party in connection with this Agreement.
9. **Prudent Operation and Maintenance Requirements** - The DG Owner/Operator shall operate and maintain its generation and interconnection facilities in accordance with industry standard prudent electrical practices. The said standards shall be those in effect at the time a DG Owner/Operator executes an interconnection agreement with the Cooperative.
10. **Disconnection of Unit** - DG Owner/Operator retains the option to disconnect its Facilities from the System, provided that DG Owner/Operator notifies the Cooperative of its intent to disconnect by giving the Cooperative at least thirty (30) days' prior written notice. Such disconnection shall not be a termination of the agreement unless DG Owner/Operator exercises rights under Section 13.

DG Owner/Operator shall disconnect Facilities from the System upon the effective date of any termination under Section 13.

Subject to the Rules, for routine maintenance and repairs on the System, Cooperative shall provide DG Owner/Operator with seven (7) business days' notice of service interruption.

Cooperative shall have the right to suspend service in cases where continuance of service to DG Owner/Operator will endanger persons or property. During the forced outage of the System serving DG Owner/Operator, Cooperative shall have the right to suspend service to effect repairs on the System, but the Cooperative shall use its efforts to provide the DG Owner/Operator with reasonable prior notice.

11. **Metering** - Metering shall be accomplished as described in the Cooperative's DG Manual.
12. **Insurance** – Insurance shall be required as described in the Cooperative's DG Manual.
13. **Effective Term and Termination Rights** - This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. This agreement may be terminated as follows: (a) DG Owner/Operator may terminate this Agreement at any time by giving the Cooperative sixty days' written notice; (b) Cooperative may terminate upon failure by the DG Owner/Operator to generate energy from the Facilities in parallel within six (6) months after completion of the interconnection; (c) either Party may terminate by giving the other Party at least thirty (30) days prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of the Cooperative, so long as the notice specifies the basis for

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termination and there is opportunity to cure the default; (d) Cooperative may terminate by giving DG Owner/Operator at least sixty (60) days notice in the event that there is a material change in an applicable law, or any requirement of the Cooperative's wholesale electric suppliers or any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System.

14. **Dispute Resolution** - Each party agrees to attempt to resolve any and all disputes arising hereunder promptly, equitably and in good faith. If a dispute arises under this Agreement that cannot be resolved by the parties within forty-five (45) working days after written notice of the dispute, the parties agree to submit the dispute to mediation by a mutually acceptable mediator. The parties agree to participate in good faith in the mediation for thirty (30) days. If the parties are unsuccessful in resolving their dispute through mediation, then the parties shall submit to arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The venue of such arbitration shall be in the City of Bandera, Texas.

15. **Compliance with Laws, Rules and Tariffs** - Both the Cooperative and the DG Owner/Operator shall be responsible for complying with all applicable laws, rules and regulations, including but not limited to the laws of the state of Texas, and the Cooperative's DG Manual, Tariffs, Rules and Regulations, By-Laws and other governing documents. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules of the Cooperative as applicable to the electric service provided by the Cooperative, which tariffs and rules are hereby incorporated into this Agreement by this reference. The Cooperative shall have the right to change any rate, classification, service or rule, in the manner allowed by law.

16. **Severability** - If any portion or provision of this Agreement is held or adjudged for any reason to be invalid or illegal or unenforceable by any court of competent jurisdiction then such portion shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

17. **Amendment** - This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

18. **Entirety of Agreement and Prior Agreements Superseded** - This Agreement, including the Rules and all attached Exhibits and Facilities Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein or in the DG Owner/Operator application, or other written information provided by the DG Owner/Operator in compliance with the Rules. It is expressly

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acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

19. **Force Majeure** -For the purposes of this Agreement, a Force Majeure event is any event:
- (a) that is beyond the reasonable control of the affected party; and
 - (b) that the affected party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent that they satisfy the preceding requirements: acts of war, public disorder, rebellion or insurrection; floods, hurricanes, earthquakes, lightning, storms or other natural calamities; explosions or fires; strikes, work stoppages or labor disputes; embargoes; and sabotage. If a Force Majeure event prevents a party from fulfilling any obligations under this agreement, such party will promptly notify the other party in writing and will keep the other party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected party is taking to mitigate the effect of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.
20. **Assignment** - At any time during the term of this Agreement, the DG Owner/Operator may assign this Agreement to a corporation, an entity with limited liability or an individual (the "Assignee"), provided that the DG Owner/Operator obtains the consent of the Cooperative in advance of the assignment. The Cooperative's consent will be based on a determination that the Assignee is financially and technically capable to assume ownership and/or operation of the DG unit. The company or individual to which this Agreement is assigned will be responsible for the proper operation and maintenance of the unit, and will be a party to all provisions of this Agreement.
21. **Permits, Fees and Approvals** - The Cooperative will have responsibility for the review, approval or rejection of the DG interconnection application. The approval process is intended to ensure that the implementation of the applicant's DG project will not adversely affect the safe and reliable operation of the Cooperative's System. The fees associated with the Application are listed in the most current fee schedule issued by the Cooperative. All fees are to be submitted in the form of a Bank Cashier's check along with the Application, unless other payment terms have been approved in advance by the Cooperative.
22. **Notices** - Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

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(a) If to Cooperative:

(b) If to DG Owner/Operator:

Three horizontal lines for entering information for the Cooperative.

Three horizontal lines for entering information for the DG Owner/Operator.

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 17.

23. Invoicing and Payment - Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Rules of the Cooperative.

24. Limitations (No Third-Party Beneficiaries, Waiver, etc.) - This Agreement is not intended to, and does not create, rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties. This Agreement may not be assigned by the DG Owner/Operator without the prior written consent of the Cooperative as specified in Section 20. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

25. Headings - The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

26. Multiple Counterparts - This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

Bandera Electric Cooperative, Inc.

[DG OWNER/OPERATOR NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

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APPEDIX C

EXHIBIT A: DESCRIPTION OF FACILITIES AND POINT OF INTERCONNECTION

DG Owner/Operator will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for its Facilities, unless otherwise specified on Exhibit A.

FACILITIES SCHEDULE NO.

[The following information is to be specified for each Point of Interconnection, if applicable]

1. Name: _____
2. Facilities location: _____
3. Delivery voltage: _____
4. Metering (voltage, location, losses adjustment due to metering location, and other: _____
5. Normal Operation of Interconnection: _____
6. One line diagram attached (check one):/ _____ Yes / _____
7. Facilities to be furnished by Cooperative: _____
8. Facilities to be furnished by DG Owner/Operator: _____
9. Cost Responsibility: _____
10. Control area interchange point (check one): / _____ Yes / _____ No
11. Supplemental terms and conditions attached (check one): / _____ Yes / _____ No
12. Cooperative rules for DG interconnection attached (check one): / _____ Yes / _____

Bandera Electric Cooperative, Inc.

[DG OWNER/OPERATOR NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

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APPENDIX D

**APPLICATION FOR INTERCONNECTION & OPERATIONS OF
MEMBER-OWNED GENERATION**

This application should be completed and returned to Bandera Electric Cooperative, Inc. in order to begin processing the request for interconnecting Distributed Generation as required by the Cooperative’s Tariffs. See BEC Procedures and Guidelines Manual for Member-Owned Distributed Generation for additional information.

INFORMATION: This application is used by BEC to facilitate the determination of the required equipment configuration for the Member/Cooperative Point of Interconnection. Every effort should be made to supply as much information as possible.

PART 1 - OWNER/APPLICANT INFORMATION

Member Name: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

Email Address: _____ Fax Number: _____

Proposed Location of Generator: _____

City: _____ County: _____

PART 2 – PROJECT DATA

TYPE OF GENERATOR

Photovoltaic: _____ Wind: _____ Microturbine: _____ Diesel Engine: _____

Gas Engine: _____ Combustion Turbine: _____ Other: _____

ESTIMATED LOAD & GENERATOR RATING INFORMATION

The following information is necessary to help properly design the Cooperative/Member interconnection.

This information is not intended as a commitment or contract for billing purposes.

Total Site Load (excluding any DG): _____ (kW)

% Residential: _____% % Commercial: _____% % Industrial: _____%

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Proposed Number of Generating Units: _____ Generator Rating: _____ (kW)

Proposed Total DG Capacity to be Installed: _____ (kW)

Estimated Annual Generation Output: _____ (kWh)

PROPOSED MODE OF DG OPERATION

Isolated: _____
*(DG Facility will not connect
in any way to the BEC System)
power to the electrical grid*

Paralleling: _____
*(DG Facility will connect to the
BEC System, but will not export
power to the electrical grid)*

Power Export: _____
*(DG Facility will connect to the BEC
System and will potentially export*

DESCRIPTION OF PROPOSED INSTALLATION AND OPERATION

Provide a general description of the proposed installation, including a detailed description of its planned location, the date you plan to operate the generator, the frequency with which you plan to operate it and whether you plan to operate it during on or off-peak hours. You may attach additional sheets if necessary.

Complete all applicable items. Copy sheets as required for additional generators.

SYNCHRONOUS GENERATOR DATA (as applicable)

Unit Number: _____ Total Number of Units with Listed Specifications on Site: _____

Manufacturer: _____ Type: _____

Serial Number: _____ Date of Manufacture: _____

Rated Output: kW: _____ kW Single Phase: ___ Three Phase: ___ Rated Power Factor: ___%

Rated Voltage (Volts): _____ V Rated Continuous Current: _____ Amperes R.P.M.: _____

Field Volts: _____ Field Amperes: _____ Motoring Power (kW): _____

Synchronous Reactance (X'd): _____ % on _____ KVA base

Transient Reactance (X'd): _____ % on _____ KVA base

Subtransient Reactance (X'd): _____ % on _____ KVA base

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Negative Sequence Reactance (X_s): _____ % on _____ KVA base

Zero Sequence Reactance (X_o): _____ % on _____ KVA base

Neutral Grounding Resistor (if applicable): _____

I_2^2t or K (Heating Time Constant): _____

Additional Information: _____

INDUCTION GENERATOR DATA *(as applicable)*

Rotor Resistance (R_r): _____ ohms Stator Resistance (R_s): _____ ohms

Rotor Reactance (X_r): _____ ohms Stator Reactance (X_s): _____ ohms

Magnetizing Reactance (X_m): _____ ohms Short Circuit Reactance ($X'd$): _____ ohms

Design Letter: _____ Frame Size: _____

Exciting Current: _____ Amperes Temp Rise (deg C°): _____

Reactive Power Required: Vars (No Load) _____ Vars (Full Load) _____

Additional Information: _____

PRIME MOVER *(Complete all applicable items)*

Unit Number: _____ Type: _____

Manufacturer: _____

Serial Number: _____ Date of Manufacture: _____

H.P. Rated: _____ H.P. Max.: _____ Inertia Constant: _____ lb.-ft.²

Energy Source (Hydro, Steam, Wind, etc.) _____

INVERTER DATA *(if applicable)*

Manufacturer: _____ Model: _____

Rated Power Factor (%): _____ Rated Voltage (Volts): _____ Rated Amperes: _____

Inverter Type (Ferroresonant, Step, Pulse-Width Modulation, etc): _____

Type Commutation: _____ Forced _____ Line

Harmonic Distortion: Maximum Single Harmonic (%) _____

Maximum Total Harmonic (%) _____

Note: Attach all available calculations, test reports, and oscillographic prints showing inverter output voltage and current waveforms.

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GENERATOR FACILITY TRANSFORMER (*Between generator and utility system if applicable*)

Generator Unit Number: _____

Manufacturer: _____ Size (kVA): _____

Serial Number: _____ Date of Manufacture: _____

High Voltage: ____kV Connection: __delta __wye Neutral solidly grounded? _____

Low Voltage: ____kV Connection: __delta __wye Neutral solidly grounded? _____

Transformer Impedance(Z): _____% on _____ KVA base.

Transformer Resistance (R): _____% on _____ KVA base.

Transformer Reactance (X): _____% on _____ KVA base.

Neutral Grounding Resistor (if applicable):

POWER CIRCUIT BREAKER (*if applicable*)

Manufacturer: _____ Model: _____ Serial Number: _____

Rated Voltage: _____kV Continuous Current Capability: _____ Amperes

Maximum Interrupting Rating: _____ Amperes BIL Rating: _____

Interrupting Medium / Insulating Medium (ex. Vacuum, Gas, Oil, etc.) _____ / _____

Control Voltage (Closing): _____ (Volts) ____AC ____DC

Close Energy: ____Spring ____Motor Hydraulic ____Pneumatic Other: _____

Control Voltage (Tripping): ____ (Volts) ____AC ____DC __Battery __Charged Capacitor

Trip Energy: ____Spring ____Motor Hydraulic ____Pneumatic Other: _____

Bushing Current Transformers: _____ (Max. ratio) Relay Accuracy Class: __Yes __No

Multi ratio? ____ Yes ____ No If Yes, Available Taps: _____

ADDITIONAL INFORMATION AND CONTACTS

In addition to the items listed above, please attach a detailed one-line diagram of the proposed facility, all applicable elementary diagrams, major equipment, (generators, transformers, inverters, circuit breakers, protective relays, etc.) specifications, test reports, etc., and any other applicable drawings or documents necessary for the proper design of the interconnection. Also describe the project's planned operating mode (e.g., combined heat and power, peak shaving, etc.), and its address or grid coordinates.

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PROJECT DESIGN/ENGINEERING (ARCHITECT) (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

Email Address: _____ Fax Number: _____

ELECTRICAL CONTRACTOR (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

Email Address: _____ Fax Number: _____

PART 3 - SIGN OFF AREA

The Member agrees to cooperate with and provide to Bandera Electric Cooperative, Inc. any additional information required to complete the Member-Owned Generation Interconnection process. Further, the Member agrees they shall operate their equipment within the guidelines set forth by Bandera Electric Cooperative, Inc.

Member Date

BANDERA ELECTRIC COOPERATIVE CONTACT FOR APPLICATION SUBMISSION AND FOR MORE INFORMATION:

Cooperative Contact: Manager, Engineering

Address: 3172 State Hwy 16 North

P.O. Box 667
Bandera, Texas 78003

Phone: 830-796-3741

Fax: 830-460-3030

Web site: www.banderaelectric.com

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For BEC Use Only:

Date Application Initially Received by BEC: _____	By: _____
Application Fee Required? ___No ___Yes	\$ _____
Application Fee Received? Amount: _____	Date: _____ By: _____
Date Application Deemed Complete: _____	By: _____
Project Proposed on Substation: _____	Feeder: _____



Bandera Electric Cooperative, Inc.

**Procedures and Guidelines for
Member-Owned Distributed Generation**

*September 2013
Initial Version*



*Bandera Electric Cooperative, Inc.
Procedures and Guidelines for Member-
Owned Distributed Generation*

These procedures and guidelines were developed for Member-owned distributed generation facilities. This manual was prepared by the Engineering & Operations Division and Bandera Electric Cooperative, Inc.

Signed by: _____
Rodrigo Sifuentes, PE
System Engineer

Date: _____

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GENERAL

In order to receive service from the Cooperative, a customer must join or become a “Member” of the Cooperative. Throughout this manual, customers will be referred to as “Members.” For more information about the cooperative membership application process, including any applicable easement requirements, membership fees or deposits, see the Cooperative to request new member information.

It is the intent of the Cooperative to allow Members to install Distributed Generation (DG), provided the Member’s DG facility does not adversely affect the Cooperative. The Member must conduct his/her own analysis to determine the economic benefit of DG operation.

A DG facility that is not connected to the Cooperative’s system in any way is known as “stand-alone” or “isolated” DG. The Member may operate a DG facility in stand-alone or isolated fashion as long as such DG facility does not adversely affect the Cooperative’s system. A DG facility connected in any way to the Cooperative’s system shall be considered as in “parallel.” For purposes of this Manual, a DG facility is considered operating in “parallel” anytime it is connected to the Cooperative’s system in any way, even if the Member does not intend to export power. All provisions of this Manual shall apply to parallel operation of DG facilities as so defined.

This Manual is not a complete description or listing of all laws, ordinances, rules and regulations, nor is this Manual intended to be an installation or safety manual. The Member requesting to interconnect a DG facility to the Cooperative’s system is responsible for and must follow, in addition to all provisions of this Manual, the Cooperative’s *Rules and Regulations and Tariffs for Electric Service*, the Cooperative’s *Line Extension Policy*, the *Policies and Procedures* of the Cooperative’s power supplier where applicable, the *Policies and Procedures* of the Cooperative’s transmission service provider where applicable, the current *IEEE 1547 Standard for Interconnecting Distributed Resources with Electric Power System* (a copy is on file at the Cooperative for inspection along with information so the Member may obtain his/her own copy), other applicable IEEE standards, applicable ANSI standards, including ANSI C84.1 Range A and any other applicable governmental and regulatory laws, rules, ordinances or requirements. All legal, technical, financial, etc. requirements in the following sections of this Manual must be met prior to interconnection of the DG facility to the Cooperative’s system.

A Member may serve all loads behind the meter at the location serving the DG facility but will not be allowed to serve multiple meters, multiple consuming facilities or multiple Members with a single DG facility or under a single DG application without prior approval by the cooperative. The Member may connect multiple DG facilities behind a single Cooperative meter, but the total connected maximum rated output shall not adversely affect the Cooperative’s electric system.

DG facilities larger than 1.0 MW are not covered by this Manual and will be considered by the Cooperative on a case-by-case basis.

I. DETERMINE THE CATEGORY OF DISTRIBUTED GENERATION FACILITY

1) Connection Level Category

- a) Connected to the Cooperative's system The Member requests and/or the Member's DG facility require connection to the Cooperative's system. All provisions of this manual cover this category.
- b) Connected to the Cooperative's Power Supplier's system The Member requests and/or the Member's DG facility require connection to the Cooperative's Power Supplier's system. This manual does NOT cover this category.

2) Power Export Category

- a) Parallel – no power export The Member operates a DG facility connected in any way to the Cooperative system but with no intention to export power.
- b) Parallel – power generated to be both consumed and exported The Member operates a DG facility connected in any way to the Cooperative's system designed primarily to serve the Member's own load but with the intention to export excess power.
- c) Parallel – power generated to be exported only The Member operates a DG facility connected in any way to the Cooperative's system designed primarily with the intention to export power.

3) Qualifying or Non-Qualifying Category

- a) Qualifying Facilities (QF) are defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). Refer to CFR Title 26, Volume 4, Sec. 292.204.
- b) The distinction between QF and Non-Qualifying Facilities (NQF) mainly deals with fuel use.
 - (1) In general, a QF must have as its primary energy source biomass, waste, renewable resources, geothermal resources or any combination. See PURPA for a full description.
 - (2) DG facilities not designated as QF under the provisions of PURPA will be considered NQF by the Cooperative.
- c) The Cooperative will provide interconnection for a DG facility to Members, subject to the provisions of this Manual and all other applicable rules and regulations.
- d) The Cooperative will purchase power from a Member with a DG facility that is a QF, subject to the provisions of this policy and other applicable rules and regulations.
- e) The Cooperative may purchase power from a Member with a DG facility that is an NQF.

4) Size Category

- a) Facilities above 0 kW and below 1.0 MW facilities below 1.0 MW of connected generation will be placed in this size category.
- b) Facilities above 1.0 MW of connected generation not considered under this manual.

II. MEMBER'S INITIAL REQUIREMENTS

1) Notification

- a) The Member must meet all the Cooperative's membership and service requirements in addition to the requirements in the Manual.
- b) Anyone owning or operating a DG facility in parallel with the Cooperative's system must notify the Cooperative of the existence, location and category of the DG facility.

2) Service Request

- a) At least sixty (60) days in advance of the desired interconnection date, the Member shall submit the "Application for Interconnection & Operations of Member-Owned Generation and an executed "BEC Cooperative Agreement for Interconnection and Parallel Operation of Distributed Generation" in the forms included in this manual.
- b) DG facilities under 50 kW in size and of standard manufacture and design (as so determined by the Cooperative) may submit the Agreement Short Form. All other facilities must submit the Agreement Long Form.
- c) A separate form must be submitted for each facility.

3) Submit a DG Plan

- a) As a part of the application, the Member shall submit a general plan of the proposed generator installation showing the electrical design of the generating installation including all major equipment for interconnection with the Cooperative's system (the "DG plan"). Either at the time of submission or at any time during the review process, the Cooperative may require additional information or may require the DG plan to be prepared by a Professional Engineer registered in the state of Texas.
- b) In the case of multiple facilities, a separate application including any required application fees shall be submitted by the Member for each interconnection point desired.
- c) The Member will provide such additional information as may be reasonable required and requested by the cooperative to evaluate the DG plan.
- d) The Cooperative may, at its sole discretion, waive the required application fee and other provisions of this manual in the case of a proposed generation installation which is planned (i) to be operated in parallel with the Cooperative's system, (ii) with no intention to export power to the Cooperative and (iii) that are of standard design and intended entirely as emergency or back-up power supply for the facility.

- e) A non-refundable application fee will be required to be paid by the Member before the Cooperative will consider the application as indicated below.

DG Size (Connected Load)	Application Fee (\$)	Additional Engineering Fee (\$)
0 KW to 1.0 MW	250	As Required
> 1.0 MW	Not covered by this manual	

III. COOPERATIVE AND POWER SUPPLIER REVIEW PROCESS

1) Plan Review Process

- a) In cases where the generation installation is to be operated in parallel with the Cooperative's system and is intended to export power to the Cooperative's system; the Cooperative at its sole discretion may conduct a full interconnection study to determine the impact of the generating facility on the Cooperative's system. The Member will be required to reimburse the Cooperative for the full amount of the interconnection study in addition to any application fee(s). The Cooperative will bill the Member for the exact cost of the study on a biweekly basis.
- b) The Cooperative will complete the interconnection study and/or review of the DG plan within sixty (60) days following receipt of a completed application and payment of any required fee(s). The Cooperative will undertake any interconnection study in the order in which the complete applications have been received by the Cooperative on a non-discriminatory basis.
- c) In the event the Member's plan involves the use of non-standard equipment or design techniques, the Cooperative may require the Member to obtain approval of the proposed DG plan by a professional engineer registered in the state of Texas. 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 the Member's equipment to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost effectiveness, safety, durability or reliability of generating installations.
- d) Technical review will be consistent with guidelines established by the most recent *IEEE Standard 1547 Standard for Interconnecting Distributed Resources with Electric Power System*. The Member may be required by the Cooperative to provide proof that Member's DG Facilities have been tested and certified by applicable IEEE guidelines.
- e) If corrections or changes to the plans, specifications and other information are to be made by the Member, the 60 day period may be reinitialized when such changes or corrections are provided to the Cooperative. In addition, any changes to the site or project requiring new analysis by the Cooperative may require additional cost and a new DG plan. The cost will be determined by the Cooperative and shall be paid by the Member.

- f) In the event it is necessary at some future time for the Cooperative in its sole discretion to modify its electric delivery systems in order to serve the Member's DG facilities and/or purchase or continue to purchase the output of the Member's DG facilities, or because the quality of the power provided by the Member's DG adversely affects the Cooperative's electric delivery system, the Member will reimburse the Cooperative for all costs necessary to modify or change out any electrical equipment required to continue to safely establish the interconnection of the Member's DG facilities with the Cooperative's system after the electric delivery system modification is completed.

IV. SALES TO AND PURCHASES FROM A DG FACILITY

- a) Determination of on-site excess generation and on-site consumption shall be accomplished by interconnection through a single meter or meters, per Cooperative discretion, with two registers where one register measures all energy supplied by the Cooperative in excess of on-site consumption, and the other register measures all energy supplied by the Cooperative in excess of on-site generation.
- b) No "banking of energy" or "netting periods" shall be permitted, in which excess generation during one period is used to offset usage during another period.
- c) For power produced in excess of on-site generation, the Member shall be compensated at the Cooperative's avoided wholesale power cost.
- d) The avoided wholesale power cost will be calculated by dividing the prior year's total power purchase cost (excluding demand costs, transmission costs, ERCOT and related fees and distribution costs) by the prior year's total kWh purchased.
- e) For energy supplied by the Cooperative in excess of on-site generation, the Cooperative shall bill the Member according to the Cooperative's retail rate schedule.
- f) If the Cooperative is obligated to provide wheeling service and the Cooperative has in place a tariff for wheeling service, a DG Member requesting such wheeling service shall pay the Cooperative for wheeling service as provided in the Cooperative's tariffs. Otherwise, wheeling service will not be provided.
- g) The Member may also be responsible for paying a facilities charge as determined at the sole discretion of the Cooperative to recover any additional operation and maintenance expenses incurred by the Cooperative as a result of the Member's generating installation. If applied, the charge will be determined during the interconnection study on a non-discriminatory case-by-case basis.
- h) In addition to all other charges, the Member will provide on request to the Cooperative at the Member's expense a communications link as approved at the sole discretion of the Cooperative for remotely obtaining meter readings at a time or times of the month as determined by the Cooperative.
- i) The Cooperative may, at its sole discretion, purchase power from a NQF as described in this section.
- j) 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 power contract requirements with its power supplier(s).

V. MEMBER'S RESPONSIBILITY PRIOR TO OPERATION

1) Line Extension and Modifications to Cooperative Facilities

- a) As a part of the interconnection analysis performed by the Cooperative, the Member will be provided with an estimate of any line extension or other cost to be incurred in providing electric delivery service to the Member's DG facility.
- b) Notwithstanding the Cooperative's line extension policy, the Member shall pay in advance the full cost of the construction of any transmission, substation, distribution, transformation, metering, protective, or other facilities or equipment which, at the sole discretion of the Cooperative and/or its Power supplier, is required to serve the Member's DG facility.
- c) In the event it is necessary at some future time for the Cooperative in its sole discretion to modify electric delivery systems in order to serve the Member's DG facilities and/or purchase or continue to purchase the Member's output, or because the quality of the power provided by the Member's DG adversely affects the Cooperative's delivery system, or because the Cooperative desires to change primary voltage or make other changes in its electric delivery system, the Member will reimburse the Cooperative for all costs necessary to modify or change out any electrical equipment required to continue to safely establish the interconnection of the Member's DG facilities with the Cooperative's system after the electric delivery system modification is completed.
- d) In all cases, the Member shall pay the full cost of the installation of a visible load break disconnect switch by and to the sole specification of the Cooperative. The switch will be readily accessible to Cooperative personnel and of a type that can be secured in an open position by a Cooperative lock.

2) Applicable Regulations

The DG facility shall be installed and operated subject to and in accordance with the terms and conditions set forth in the Cooperative's rules, regulations, bylaws, rates and tariffs, as amended from time to time, and, if applicable, approved by the Cooperative's board of directors, which are incorporated herein by reference, and in compliance with all applicable federal, state and local laws, regulations, zoning codes, building codes, safety rules, environmental restrictions, ordinances and regulations, including without limitation, the most recent IEEE Standard 1547 *Standard for Interconnecting Distributed Resources with Electric Power System* applicable ANSI standards, including ANSI C84.1 Range A, Electric Reliability Council of Texas (ERCOT) market rules, including the ERCOT Nodal Protocols and Operating Procedures, and in accordance with industry standard prudent engineering practices.

3) Liability Insurance

When required by law, the Member, at the Member's own expense, shall carry and maintain Worker's Compensation insurance covering the Member's employees. In such cases, the Member, at the Member's own expense, shall be required to carry Employer's Liability

Insurance. These coverages are to provide for the payment to the Member's employees and/or their dependent's

Worker's Compensation benefits, including Occupational Disease benefits in accordance with the law of the state of Texas.

The Member hereby waives all rights of subrogation that the Member's insurers may have against the Cooperative, and its directors, officers and employees. Regardless of the legal requirements, the Cooperative recommends the Member obtain adequate insurance.

4) Contracts

The Member will sign and deliver to the Cooperative an "Agreement for Interconnection and Parallel Operation of Distributed Generation" (Interconnection Agreement) for each interconnection point as detailed in this manual.

5) Initial Interconnection

- a) Upon satisfactory completion of the review process and execution of required agreements as outlined in this Manual, the Cooperative will notify the Member. The Member shall notify the Cooperative in writing at least fourteen (14) days in advance of energizing the generation installation and permit the Cooperative or its agents to inspect and test any or all protective equipment required for the interconnection.
- b) The Cooperative's review process and final inspection is intended as a means to safeguard the Cooperative's facilities and personnel. The Member acknowledges and agrees that any review or acceptance of such plans, specifications and other information by the Cooperative and/or its Power Supplier shall not impose any liability on the Cooperative and/or its Power Supplier and does not guarantee the adequacy of the Member's equipment or DG facility to perform its intended function. The Cooperative and its Power Supplier disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability, or reliability of such DG installations.

VI. REFUSAL TO INTERCONNECT SERVICE OR DISCONNECTION OF INTERCONNECTION SERVICE

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

VII. OPERATION OF PARALLEL FACILITY

The purpose of this section is to outline the Cooperative's operational requirements for DG facilities operated in parallel with the Cooperative's system and is not intended to be a complete listing of all operational, regulatory, safety and other requirements.

1) Ownership of facilities

- a) With the exception of only the Cooperative's meter, the Member shall own and solely be responsible for all expense, installation, maintenance and operation of the generating installation at and beyond the point of delivery as defined in the Cooperative's tariffs.
- b) At its sole discretion, the Cooperative may locate cooperative owned metering equipment and transformers past the point of delivery.

2) Self-Protection of DG Facilities

- a) The Member (at the Member's expense) will furnish, install, operate and maintain in good order and repair all equipment necessary for the safe operation of DG facilities operated in parallel with the Cooperative system.
- b) The Member's equipment will have capability to both establish and maintain synchronism with the Cooperative system and to automatically disconnect and isolate the DG facility from the Cooperative system in the event of an outage of the Cooperative's system or a malfunction of the generating installation.
- c) The Member's DG facility will also be designed, installed and maintained to be self-protected from normal and abnormal conditions on the Cooperative system. The conditions for which the power generating installation shall be self-protected shall include, but not be limited to, over-voltage, under-voltage, overcurrent, frequency deviation, and faults. The self-protection will be compatible with the Cooperative's system protection arrangements and operating policies.
- d) Specialized protective functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the particular DG facility installation and/or the electric power system characteristics so warrant. The Member shall be responsible for the costs of any specialized protective functions.

3) Quality of service

- a) The Member's DG facility will provide power at the nominal voltage of the Cooperative's electric system at the Member's delivery point plus or minus five percent (5%), at the nominal system frequency of 60 Hz plus or minus one-tenth (1/10) Hz. as defined by ANSI C84.1 Range A.
- b) Member's DG installation will generate power at a frequency within the tolerances as defined by IEEE 1547.
- c) Member's DG facility shall interconnect at a power factor that is at or near one hundred percent (100%) as is practicable. In the event the Member's power factor is less than ninety percent (90%) leading or lagging, the Member will provide proper power factor correction (within ten percent (10%) of unity) or reimburse the Cooperative the cost of any necessary

correction. Member's DG facility shall be in accordance with the power quality limits specific in IEEE 519.

- d) The overall quality of the power provided by the Member's DG facility 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 electric system is not adversely affected in any manner.
- e) In the event that the adverse effects are caused in whole or in part by the Member's DG facility, the Member will correct the cause of such effects or reimburse the Cooperative for required correction.

4) Safety disconnect

- a) The Member or the Cooperative shall provide and install, at the Member's expense, a visible load break disconnect switch.
- b) The switch will be located so as to be readily accessible to Cooperative personnel at all times in a location acceptable to both the Member and Cooperative.
- c) The switch shall be a type that can be secured in an open position by a Cooperative padlock.
- d) The Member shall not bypass the disconnect switch or lock at any time for any reason.
- e) The Cooperative shall have the right to lock the switch open when, in the judgment of the Cooperative:
 - (1) It is necessary to maintain safe electrical operating or maintenance conditions,
 - (2) The Member's DG adversely affects the Cooperative's electric system, or
 - (3) There is a system emergency or other abnormal operating condition warranting disconnection.
- f) The Cooperative reserves the right to operate the disconnect switch for the protection of the Cooperative system even if it affects the Member's DG facility. In the event the Cooperative opens and/or closes the disconnect switch:
 - (1) The Cooperative shall not be responsible for energizing or restoration of parallel operation of the DG facility.
 - (2) The Cooperative will make reasonable efforts to notify the Member.
- g) The Member will not bypass the disconnect switch at any time for any reason.
- h) Signage shall be placed by the Cooperative at the Member's expense and located at the disconnect indicating the purpose of the switch along with contact names and numbers of both the Member and the Cooperative.
- i) Members with DG facilities as defined in this Manual which are solely for the purpose of emergency backup or peak shaving without intent to export power shall not operate their DG facilities at any time unless visibly disconnected from the Cooperative system. At its sole discretion, the Cooperative may require Member to install at his/her own expense an interlocking switch for the purpose of insuring the Member's facilities do not operate in parallel with the Cooperative's facilities.

- j) Should the Cooperative lose power serving the Member's DG facilities for any reason, Members with DG facilities shall not operate their DG facilities unless visibly disconnected from the Cooperative system.

5) Access

- a) Persons authorized by the Cooperative will have the right to enter the Member's property for purposes of operating the disconnect switch, reading or metering at any time. Such entry onto the Member's property may be without notice.
- b) If the Member erects or maintains locked gates or other barriers, the Member will furnish the Cooperative with convenient means to circumvent the barrier for access to the disconnect switch and meter(s).

6) Liability for Injury and Damages

- (a) The Member assumes full responsibility for electric energy furnished at and past the point of interconnection and shall indemnify the Cooperative and/or its Power Supplier against and hold the Cooperative and/or its Power Supplier harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Member arising from electric power and energy delivered by the Cooperative or in any way arising directly or indirectly from the Member's DG facility.
- (b) The Cooperative and/or its Power Supplier shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and waveform fluctuations occasioned by causes reasonably beyond the control of the Cooperative and/or its Power Supplier including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction. ALL PROVISIONS NOTWITHSTANDING, IN NO EVENT SHALL THE COOPERATIVE BE LIABLE TO THE MEMBER FOR ANY INTEREST, LOSS OF ANTICIPATED REVENUE, EARNINGS, PROFITS, OR INCREASED EXPENSE OF OPERATIONS, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION OF MEMBER'S PREMISES OR FACILITIES FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED, IN WHOLE OR PART, TO THIS AGREEMENT. The Cooperative shall not be liable in any event for consequential damages.
- (c) The Member is solely responsible for insuring his/her facility complies with all applicable regulations including, but not limited to, laws, regulations, ordinances, Cooperative and Cooperative Power Supplier tariffs, policies and directives, and ERCOT market rules, including the ERCOT Nodal Protocols and Operating Procedures.

7) Notice of Change in Installation

- a) The Member will notify the Cooperative in writing thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the DG facility.
- b) 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 system, it shall notify the Member and the Member shall immediately correct the problem.

8) Testing and Record Keeping

- a) The Member will test all aspects of the protection systems up to and including tripping of the generator and interconnection point at start-up and thereafter as required. Testing will verify all protective set points and relay/breaker trip timing and shall include procedures to functionally test all protective elements of the system. The Cooperative may witness the testing.
- b) The Member will maintain records of all maintenance activities, which the Cooperative may review at reasonable times.
- c) For systems greater than 500 kW, a log of generator operations shall be kept. At a minimum, the log shall include the date, generator time on, generator time off, and megawatt and megavar output. The Cooperative may review such logs at reasonable times.

9) 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 Member's facility. Such refusal shall be based on system emergency constraints, special operating requirement, and adverse effects of the Member's facility on the Cooperative's system or violation by the Member of the terms of the "Application for Interconnection and Operation of Member-Owned Generation.

10) Compliance with Laws, Rules and Tariffs

The DG installation owned and installed by the Member shall be installed and operated subject to and in accordance with the terms and conditions set forth in the Cooperative's rules, regulations, bylaws, rates and tariffs, as amended from time to time, and, if applicable, approved by the Cooperative's board of directors, which are incorporated herein by reference, and in compliance with all applicable federal, state and local laws, regulations, zoning codes, building codes, safety rules, environmental restrictions, ordinances and regulations, including without limitation, ERCOT market rules, including the ERCOT Nodal Protocols and Operating Procedures, and in accordance with industry standard prudent engineering practices.

APPENDIX A:

**BEC COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL
OPERATION OF DISTRIBUTED GENERATION**

***SHORT FORM CONTRACT
APPLICABLE FOR LOADS LESS THAN OR EQUAL TO 50 KW IN SIZE AND OF
STANDARD MANUFACTURE AND DESIGN***

This Interconnection Agreement (“Agreement”) is made and entered into this ____ day of _____, 20____, by Bandera Electric Cooperative, Inc., (“Cooperative”), an electric cooperative corporation organized under the laws of Texas and _____ (“DG Owner/Operator”), each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties”. In consideration of the mutual covenants set forth herein, the Parties agree as follows:

The provisions of the BEC Procedures and Guidelines Manual for Member-Owned Distributed Generation shall be considered to be a part of this contract.

This agreement provides for the safe and orderly operation of the electrical facilities interconnecting the DG Owner/Operator’s facility at _____
_____ and the electrical distribution facility owned by the Cooperative.

This Agreement does not supersede any requirements of any applicable tariffs in place between the DG Owner/Operator and the Cooperative.

1. **Intent of Parties:** It is the intent of the DG Owner/Operator to interconnect an electric power generator to the Cooperative’s electrical distribution system.

It is the intent of the Cooperative to operate the distribution system to maintain a high level of service to their customers and to maintain a high level of power quality.

It is the intent of both parties to operate the facilities in a way that ensures the safety of the public and their employees.

2. **Establishment of Point of Interconnection:** The point where the electric energy first leaves the wires or facilities owned by the Cooperative and enters the wires or facilities provided by DG Owner/Operator is the "Point of Interconnection." Cooperative and DG Owner/Operator agree to interconnect the Facilities at the Point of Interconnection in accordance with the Cooperative's Rules and Regulations and DG Manual relating to interconnection of Distributed Generation (the "Rules") and as described in the attached Exhibit A. The interconnection equipment installed by the customer ("Interconnection Facilities") shall be in accordance with the Rules as well.

3. **Operating authority:** The DG Owner/Operator is responsible for establishing operating procedures and standards within their organization. The operating authority for the DG Owner/Operator shall ensure that the Operator in Charge of the generator is competent in the operation of the electrical generation system and is aware of the provisions of any operating agreements and regulations relating to the safe operation of electrical power systems.

The operating authority for the DG Owner/Operator is:

Name or title of operating authority _____
Address _____
Phone number _____

4. **Operator in Charge:** The operator in charge is the person identified by name or job title responsible for the real time operation of all electrical facilities related to the interconnection and owned by their organization.

The operator in charge for the DG Owner/Operator is:

Name or title of operating authority _____
Address _____
Phone number _____

5. **Limitation of Liability and Indemnification:**

- a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to DG Owner/Operator and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to DG Owner/Operator shall be limited as set forth in the Cooperative's tariffs and terms and conditions for electric service, which are incorporated herein by reference.
- b. Neither Cooperative nor DG Owner/Operator shall be liable to the other for damages for any act or omission that is beyond such party's control, including, but not limited to, any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, explosion, breakage or accident to any part of the System or to any other machinery or equipment, a curtailment, law, order, or regulation or restriction by governmental, military, or lawfully established civilian authorities.
- c. Notwithstanding Paragraph 5.b of this Agreement, the DG Owner/Operator shall assume all liability for, and shall indemnify Cooperative for, any claims, losses, costs, and expenses of any kind or character to the extent that they result from DG Owner/Operator's negligence or other wrongful conduct in connection with the design, construction or operation of the Facilities or Interconnection Facilities. Such indemnity shall include, but is not limited to, financial responsibility for (a) monetary losses; (b) reasonable costs and expenses of defending an action or claim;

- (c) damages related to death or injury; (d) damages to property; and (e) damages for the disruption of business. This paragraph does not create a liability on the part of the DG Owner/Operator to the Cooperative or a third person, but requires indemnification where such liability exists.
- d. Cooperative and DG Owner/Operator shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines, wires, switches, or other equipment or property on their respective sides of the Point of Interconnection. The Cooperative, while retaining the right to inspect, does not assume any duty of inspecting the DG Owner/Operator's lines, wires, switches, or other equipment or property and will not be responsible therefore. DG Owner/Operator assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the Point of Interconnection.
- e. For the mutual protection of the DG Owner/Operator and the Cooperative, only with Cooperative's prior written authorization are the connections between the Cooperative's service wires and the DG Owner/Operator's service entrance conductors to be energized.
6. **Metering:** Metering shall be accomplished as described in the Cooperative's DG Manual.
7. **Insurance:** Insurance shall be required as described in the Cooperative's DG Manual.
8. **Suspension of Interconnection:** It is intended that the interconnection should not compromise the Cooperative's protection or operational requirements. The operation of the DG Owner/Operator's System and the quality of electric energy supplied by the DG Owner/Operator shall meet the standards as specified by the Cooperative. If the operation of the DG Owner/Operator's system or quality of electric energy supplied (in the case of power export), does not meet the standards as specified, then (the Cooperative) will notify the DG Owner/Operator to take reasonable and expedient corrective action. The Cooperative shall have the right to disconnect the DG Owner/Operator's System, until compliance is reasonably demonstrated. Notwithstanding, the Cooperative may in its sole discretion disconnect the DG Owner/Operator's generating plant from the Distribution Facility without notice if the operating of the Generating Plant may be or may become dangerous to life and property.
9. **Compliance with Laws, Rules and Tariffs:** Both the Cooperative and the DG Owner/Operator shall be responsible for complying with all applicable laws, rules and regulations, including but not limited to the laws of the state of TEXAS, and the Cooperative's DG Manual, Tariffs, Rules and Regulations, By-Laws and other governing documents. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules of the Cooperative as applicable to the electric service provided by the Cooperative, which tariffs and rules are hereby incorporated into this Agreement by this reference. The Cooperative shall have the right to change any rate, classification, service or rule, in the manner allowed by law.



- 10. **Maintenance Outages:** Maintenance outages will occasionally be required on the Cooperative’s system, and the Cooperative will provide as much notice and planning as possible to minimize downtime. It is noted that in some emergency cases such notice may not be possible. Compensation will not be made for unavailability of Cooperative’s facilities due to outages.
- 11. **Access:** Access is required by the Cooperative to the DG Owner/Operator’s plant site for maintenance, operating and meter reading. The Cooperative reserves the right, but not the obligation, to inspect the DG Owner/Operator’s facilities.
- 12. **Force Majeure:** For the purposes of this Agreement, a Force Majeure event is any event:
 - (a) that is beyond the reasonable control of the affected party; and (b) that the affected party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent that they satisfy the preceding requirements: acts of war, public disorder, rebellion or insurrection; floods, hurricanes, earthquakes, lightning, storms or other natural calamities; explosions or fires; strikes, work stoppages or labor disputes; embargoes; and sabotage. If a Force Majeure event prevents a party from fulfilling any obligations under this agreement, such party will promptly notify the other party in writing and will keep the other party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected party is taking to mitigate the effect of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.
- 13. **Term:** This document is intended to be valid for a period of two (2) years. It may be canceled by either party with 30 days notice to the other party.

AGREED TO BY

DG Owner/Operator

BEC Cooperative Representative

Name

Name

Title

Title

Date

Date

APPENDIX B:

**BEC COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL
OPERATION OF DISTRIBUTED GENERATION**

***LONG FORM CONTRACT
APPLICABLE FOR LOADS GREATER THAN 50 KW AND LESS THAN 1.0MW
AND/OR NOT OF STANDARD MANUFACTURE AND DESIGN***

This Interconnection Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by Bandera Electric Cooperative, Inc., ("Cooperative"), a corporation organized under the laws of Texas, and _____ ("DG Owner/Operator"), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

The provisions of the BEC Procedures and Guidelines Manual for Member-Owned Distributed Generation shall be considered to be a part of this contract.

This Agreement does not supersede any requirements of any applicable tariffs in place between the DG Owner/Operator and the Cooperative.

1. **Scope of Agreement** -- This Agreement is applicable to conditions under which the Cooperative and the DG Owner/Operator agree that one or more generating facilities (described in Exhibit A) owned by the DG Owner/Operator of between 50kW < Load ____ kW < 1.0MW or less, to be interconnected at ____ kV or less ("Facilities") may be interconnected to the Cooperative's electric power distribution system ("System").

The provisions of the Cooperative's Distributed Generation Manual shall be considered to be a part of this contract.

2. **Establishment of Point of Interconnection** - The point where the electric energy first leaves the wires or facilities owned by the Cooperative and enters the wires or facilities provided by DG Owner/Operator is the "Point of Interconnection." Cooperative and DG Owner/Operator agree to interconnect the Facilities at the Point of Interconnection in accordance with the Cooperative's Rules and Regulations and DG Manual relating to interconnection of Distributed Generation (the "Rules") and as described in the attached Exhibit A. The interconnection equipment installed by the customer ("Interconnection Facilities") shall be in accordance with the Rules as well.
3. **Responsibilities of Cooperative and DG Owner/Operator for Installation, Operation and Maintenance of Facilities** - DG Owner/Operator will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for, its Facilities, unless otherwise specified on Exhibit A. DG Owner/Operator shall conduct operations of its facilities in compliance with all aspects of the Rules, and Cooperative shall conduct operations of its electric distribution facilities in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facilities Schedule. Maintenance of Interconnection

facilities shall be performed in accordance with the applicable manufacturers' recommended maintenance schedule. The DG Owner/Operator agrees to cause its Interconnection Facilities to be constructed in accordance with specifications equal to or better than those provided by the National Electrical Safety Code and the National Electrical Code, both codes approved by the American National Standards Institute, in effect at the time of construction.

The DG Owner/Operator covenants and agrees to cause the design, installation, maintenance, and operation of, its Interconnection Facilities so as to reasonably minimize the likelihood of a malfunction or other disturbance, damaging or otherwise affecting or impairing the System. DG Owner/Operator shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation and operation of its Facilities.

Cooperative will notify DG Owner/Operator if there is evidence that the Facilities' operation causes disruption or deterioration of service to other customer(s) served from the System or if the Facilities' operation causes damage to the System. DG Owner/Operator will notify the Cooperative of any emergency or hazardous condition or occurrence with the DG Owner/Operator's Facilities, which could affect safe operation of the System.

4. **Operator in Charge** - The Cooperative and the DG Owner/Operator shall each identify an individual (by name or title) who will perform as "Operator in Charge" of the facilities and their section of the Interconnection Facilities. This individual must be familiar with this Agreement as well as provisions of other agreements and any regulations that may apply.

5. **Limitation of Liability and Indemnification**

- a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to DG Owner/Operator and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to DG Owner/Operator shall be limited as set forth in the Cooperative's tariffs and terms and conditions for electric service, which are incorporated herein by reference.
- b. Neither Cooperative nor DG Owner/Operator shall be liable to the other for damages for any act or omission that is beyond such party's control, including, but not limited to, any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, explosion, breakage or accident to any part of the System or to any other machinery or equipment, a curtailment, law, order, or regulation or restriction by governmental, military, or lawfully established civilian authorities.
- c. Notwithstanding Paragraph 5.b of this Agreement, the DG Owner/Operator shall assume all liability for, and shall indemnify Cooperative for, any claims, losses, costs, and expenses of any kind or character to the extent that they result from DG Owner/Operator's negligence or other wrongful conduct in connection with the design, construction or operation of the Facilities or Interconnection Facilities. Such indemnity shall include, but is not limited to, financial responsibility for (a) monetary losses;

- (b) reasonable costs and expenses of defending an action or claim; (c) damages related to death or injury; (d) damages to property; and (e) damages for the disruption of business. This paragraph does not create a liability on the part of the DG Owner/Operator to the Cooperative or a third person, but requires indemnification where such liability exists.
- d. Cooperative and DG Owner/Operator shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines, wires, switches, or other equipment or property on their respective sides of the Point of Interconnection. The Cooperative, while retaining the right to inspect, does not assume any duty of inspecting the DG Owner/Operator's lines, wires, switches, or other equipment or property and will not be responsible therefore. DG Owner/Operator assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the Point of Interconnection.
- e. For the mutual protection of the DG Owner/Operator and the Cooperative, only with Cooperative prior written authorization are the connections between the Cooperative's service wires and the DG Owner/Operator's service entrance conductors to be energized.
6. **Design Reviews and Inspections** - The DG Owner/Operator shall provide to the Cooperative the following documentation and inspection results:
- a. One-Line Diagram. The diagram shall include at a minimum, all major electrical equipment that is pertinent to understanding the normal and contingency operations of the DG Interconnection Facilities, including generators, switches, circuit breakers, fuses, protective relays and instrument transformers.
- b. Testing Records. Testing of protection systems shall be limited to records of compliance with standard acceptance procedures and by industry standards and practices. These records shall include testing at the start of commercial operation and periodic testing thereafter.
7. **Right of Access, Equipment Installation, Removal & Inspection** - The Cooperative may send an employee, agent or contractor to the premises of the DG Owner/Operator at any time whether before, during or after the time the Facilities first produces energy to inspect the Interconnection Facilities, and observe the Facility's installation, commissioning (including any testing), startup, and operation.

At all times Cooperative shall have access to DG Owner/Operator's premises for any reasonable purpose in connection with the interconnection described in this Agreement, the Rules, or to provide service to its customers.

8. **Confidentiality of Information** - Unless compelled to disclose by judicial or administrative process, or by other provisions of law or as otherwise provided for in this Agreement, the DG Owner/Operator and the Cooperative will hold in confidence any and all documents and information furnished by the other party in connection with this Agreement.

9. **Prudent Operation and Maintenance Requirements** - The DG Owner/Operator shall operate and maintain its generation and interconnection facilities in accordance with industry standard prudent electrical practices. The said standards shall be those in effect at the time a DG Owner/Operator executes an interconnection agreement with the Cooperative.

10. **Disconnection of Unit** - DG Owner/Operator retains the option to disconnect its Facilities from the System, provided that DG Owner/Operator notifies the Cooperative of its intent to disconnect by giving the Cooperative at least thirty (30) days' prior written notice. Such disconnection shall not be a termination of the agreement unless DG Owner/Operator exercises rights under Section 13.

DG Owner/Operator shall disconnect Facilities from the System upon the effective date of any termination under Section 13.

Subject to the Rules, for routine maintenance and repairs on the System, Cooperative shall provide DG Owner/Operator with seven (7) business days' notice of service interruption.

Cooperative shall have the right to suspend service in cases where continuance of service to DG Owner/Operator will endanger persons or property. During the forced outage of the System serving DG Owner/Operator, Cooperative shall have the right to suspend service to effect repairs on the System, but the Cooperative shall use its efforts to provide the DG Owner/Operator with reasonable prior notice.

11. **Metering** - Metering shall be accomplished as described in the Cooperative's DG Manual.

12. **Insurance** – Insurance shall be required as described in the Cooperative's DG Manual.

13. **Effective Term and Termination Rights** - This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. This agreement may be terminated as follows: (a) DG Owner/Operator may terminate this Agreement at any time by giving the Cooperative sixty days' written notice; (b) Cooperative may terminate upon failure by the DG Owner/Operator to generate energy from the Facilities in parallel within six (6) months after completion of the interconnection; (c) either Party may terminate by giving the other Party at least thirty (30) days prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of the Cooperative, so long as the notice specifies the basis for

termination and there is opportunity to cure the default; (d) Cooperative may terminate by giving DG Owner/Operator at least sixty (60) days notice in the event that there is a material change in an applicable law, or any requirement of the Cooperative's wholesale electric suppliers or any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System.

14. **Dispute Resolution** - Each party agrees to attempt to resolve any and all disputes arising hereunder promptly, equitably and in good faith. If a dispute arises under this Agreement that cannot be resolved by the parties within forty-five (45) working days after written notice of

the dispute, the parties agree to submit the dispute to mediation by a mutually acceptable mediator. The parties agree to participate in good faith in the mediation for thirty (30) days. If the parties are unsuccessful in resolving their dispute through mediation, then the parties shall submit to arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The venue of such arbitration shall be in the City of Bandera, Texas.

15. **Compliance with Laws, Rules and Tariffs** - Both the Cooperative and the DG Owner/Operator shall be responsible for complying with all applicable laws, rules and regulations, including but not limited to the laws of the state of Texas, and the Cooperative's DG Manual, Tariffs, Rules and Regulations, By-Laws and other governing documents. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules of the Cooperative as applicable to the electric service provided by the Cooperative, which tariffs and rules are hereby incorporated into this Agreement by this reference. The Cooperative shall have the right to change any rate, classification, service or rule, in the manner allowed by law.
16. **Severability** - If any portion or provision of this Agreement is held or adjudged for any reason to be invalid or illegal or unenforceable by any court of competent jurisdiction then such portion shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.
17. **Amendment** - This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.
18. **Entirety of Agreement and Prior Agreements Superseded** - This Agreement, including the Rules and all attached Exhibits and Facilities Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein or in the DG Owner/Operator application, or other written information provided by the DG Owner/Operator in compliance with the Rules. It is expressly

acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

19. **Force Majeure** -For the purposes of this Agreement, a Force Majeure event is any event:
 - (a) that is beyond the reasonable control of the affected party; and
 - (b) that the affected party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent that they satisfy the preceding requirements: acts of war, public disorder, rebellion or insurrection; floods, hurricanes, earthquakes, lighting, storms or other natural calamities; explosions or fires; strikes, work stoppages or labor disputes; embargoes; and sabotage. If a Force

Majeure event prevents a party from fulfilling any obligations under this agreement, such party will promptly notify the other party in writing and will keep the other party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected party is taking to mitigate the effect of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.

20. **Assignment** - At any time during the term of this Agreement, the DG Owner/Operator may assign this Agreement to a corporation, an entity with limited liability or an individual (the "Assignee"), provided that the DG Owner/Operator obtains the consent of the Cooperative in advance of the assignment. The Cooperative's consent will be based on a determination that the Assignee is financially and technically capable to assume ownership and/or operation of the DG unit. The company or individual to which this Agreement is assigned will be responsible for the proper operation and maintenance of the unit, and will be a party to all provisions of this Agreement.
21. **Permits, Fees and Approvals** - The Cooperative will have responsibility for the review, approval or rejection of the DG interconnection application. The approval process is intended to ensure that the implementation of the applicant's DG project will not adversely affect the safe and reliable operation of the Cooperative's System. The fees associated with the Application are listed in the most current fee schedule issued by the Cooperative. All fees are to be submitted in the form of a Bank Cashier's check along with the Application, unless other payment terms have been approved in advance by the Cooperative.
22. **Notices** - Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Cooperative:

(b) If to DG Owner/Operator:

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 17.



23. **Invoicing and Payment** - Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Rules of the Cooperative.
24. **Limitations (No Third-Party Beneficiaries, Waiver, etc.)** - This Agreement is not intended to, and does not create, rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties. This Agreement may not be assigned by the DG Owner/Operator without the prior written consent of the Cooperative as specified in Section 20. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.
25. **Headings** - The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.
26. **Multiple Counterparts** - This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

Bandera Electric Cooperative, Inc.

[DG OWNER/OPERATOR NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

APPEDIX C

EXHIBIT A: DESCRIPTION OF FACILITIES AND POINT OF INTERCONNECTION

DG Owner/Operator will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for its Facilities, unless otherwise specified on Exhibit A.

FACILITIES SCHEDULE NO.

[The following information is to be specified for each Point of Interconnection, if applicable]

1. Name: _____
2. Facilities location: _____
3. Delivery voltage: _____
4. Metering (voltage, location, losses adjustment due to metering location, and other: _____
5. Normal Operation of Interconnection: _____
6. One line diagram attached (check one): / _____ Yes / _____ No
7. Facilities to be furnished by Cooperative: _____
8. Facilities to be furnished by DG Owner/Operator: _____
9. Cost Responsibility: _____
10. Control area interchange point (check one): / _____ Yes / _____ No
11. Supplemental terms and conditions attached (check one): / _____ Yes / _____ No
12. Cooperative rules for DG interconnection attached (check one): / _____ Yes / _____ No

Bandera Electric Cooperative, Inc.

[DG OWNER/OPERATOR NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____



APPENDIX D

APPLICATION FOR INTERCONNECTION & OPERATIONS OF
MEMBER-OWNED GENERATION

This application should be completed and returned to Bandera Electric Cooperative, Inc. in order to begin processing the request for interconnecting Distributed Generation as required by the Cooperative’s Tariffs. See BEC Procedures and Guidelines Manual for Member-Owned Distributed Generation for additional information.

INFORMATION: *This application is used by BEC to facilitate the determination of the required equipment configuration for the Member/Cooperative Point of Interconnection. Every effort should be made to supply as much information as possible.*

PART 1 - OWNER/APPLICANT INFORMATION

Member Name: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

Email Address: _____ Fax Number: _____

Proposed Location of Generator: _____

City: _____ County: _____



PART 2 – PROJECT DATA

TYPE OF GENERATOR

Photovoltaic: _____ Wind: _____ Microturbine: _____ Diesel Engine: _____

Gas Engine: _____ Combustion Turbine: _____ Other: _____

ESTIMATED LOAD & GENERATOR RATING INFORMATION

The following information is necessary to help properly design the Cooperative/Member interconnection.

This information is not intended as a commitment or contract for billing purposes.

Total Site Load (excluding any DG): _____ (kW)

% Residential: _____% % Commercial: _____% % Industrial: _____%



Proposed Number of Generating Units: _____ Generator Rating: _____ (kW)

Proposed Total DG Capacity to be Installed: _____ (kW)

Estimated Annual Generation Output: _____ (kWh)

(DG Facility will connect to the BEC System and will potentially export power to the electrical grid)

PROPOSED MODE OF DG OPERATION

Isolated: _____
(DG facility will not connect in any way to the BEC system)

Paralleling: _____
(DG facility will connect to the BEC system, but will not export power to the electric grid)

Power Export: _____
(DG facility will connect to the BEC system and will potentially export power to the electric grid)

DESCRIPTION OF PROPOSED INSTALLATION AND OPERATION

Provide a general description of the proposed installation, including a detailed description of its planned location, the date you plan to operate the generator, the frequency with which you plan to operate it and whether you plan to operate it during on or off-peak hours. You may attach additional sheets if necessary.

Complete all applicable items. Copy sheets as required for additional generators.

SYNCHRONOUS GENERATOR DATA *(as applicable)*

Unit Number: _____ Total Number of Units with Listed Specifications on Site: _____

Manufacturer: _____ Type: _____

Serial Number: _____ Date of Manufacture: _____

Rated Output: kW: ____ kW Single Phase: ____ Three Phase: ____ Rated Power Factor: ____%

Rated Voltage (Volts): _____ V Rated Continuous Current: ____ Amperes R.P.M.: ____

Field Volts: _____ Field Amperes: _____ Motoring Power (kW): _____

Synchronous Reactance (X'd): _____ % on _____ KVA base

Transient Reactance (X'd): _____ % on _____ KVA base

Subtransient Reactance (X'd): _____ % on _____ KVA base

Negative Sequence Reactance (Xs): _____ % on _____ KVA base

Zero Sequence Reactance (Xo): _____ % on _____ KVA base

Neutral Grounding Resistor (if applicable): _____

I₂²t or K (Heating Time Constant): _____

Additional Information: _____

INDUCTION GENERATOR DATA *(as applicable)*

Rotor Resistance (Rr): _____ ohms Stator Resistance (Rs): _____ ohms

Rotor Reactance (Xr): _____ ohms Stator Reactance (Xs): _____ ohms

Magnetizing Reactance (Xm): _____ ohms Short Circuit Reactance (X'd): _____ ohms

Design Letter: _____ Frame Size: _____

Exciting Current: _____ Amperes Temp Rise (deg C°): _____

Reactive Power Required: Vars (No Load) _____ Vars (Full Load) _____

Additional Information: _____

PRIME MOVER *(Complete all applicable items)*

Unit Number: _____ Type: _____

Manufacturer: _____

Serial Number: _____ Date of Manufacture: _____

H.P. Rated: _____ H.P. Max.: _____ Inertia Constant: _____ lb.-ft.²

Energy Source (Hydro, Steam, Wind, etc.) _____

INVERTER DATA *(if applicable)*

Manufacturer: _____ Model: _____

Rated Power Factor (%): _____ Rated Voltage (Volts): _____ Rated Amperes: _____

Inverter Type (Ferroresonant, Step, Pulse-Width Modulation, etc): _____

Type Commutation: _____ Forced _____ Line

Harmonic Distortion: Maximum Single Harmonic (%) _____

Maximum Total Harmonic (%) _____

Note: Attach all available calculations, test reports, and oscillographic prints showing inverter output voltage and current waveforms.

GENERATOR FACILITY TRANSFORMER (*Between generator and utility system if applicable*)

Generator Unit Number: _____

Manufacturer: _____ Size (kVA): _____

Serial Number: _____ Date of Manufacture: _____

High Voltage: ____ kV Connection: __delta __wye Neutral solidly grounded? _____

Low Voltage: ____ kV Connection: __delta __wye Neutral solidly grounded? _____

Transformer Impedance(Z): _____ % on _____ KVA base.

Transformer Resistance (R): _____ % on _____ KVA base.

Transformer Reactance (X): _____ % on _____ KVA base.

Neutral Grounding Resistor (if applicable):

POWER CIRCUIT BREAKER (*if applicable*)

Manufacturer: _____ Model: _____ Serial Number: _____

Rated Voltage: _____ kV Continuous Current Capability: _____ Amperes

Maximum Interrupting Rating: _____ Amperes BIL Rating: _____

Interrupting Medium / Insulating Medium (ex. Vacuum, Gas, Oil, etc.) _____ / _____

Control Voltage (Closing): _____ (Volts) ____AC ____DC

Close Energy: ____Spring ____Motor Hydraulic ____Pneumatic Other: _____

Control Voltage (Tripping): ____ (Volts) ____AC ____DC __Battery __Charged Capacitor

Trip Energy: ____Spring ____Motor Hydraulic ____Pneumatic Other: _____

Bushing Current Transformers: _____ (Max. ratio) Relay Accuracy Class: __Yes __No

Multi ratio? ____ Yes ____ No If Yes, Available Taps: _____

ADDITIONAL INFORMATION AND CONTACTS

In addition to the items listed above, please attach a detailed one-line diagram of the proposed facility, all applicable elementary diagrams, major equipment, (generators, transformers, inverters, circuit breakers, protective relays, etc.) specifications, test reports, etc., and any other applicable drawings or documents necessary for the proper design of the interconnection. Also describe the project's planned operating mode (e.g., combined heat and power, peak shaving, etc.), and its address or grid coordinates.



PROJECT DESIGN/ENGINEERING (ARCHITECT) (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

Email Address: _____ Fax Number: _____

ELECTRICAL CONTRACTOR (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

Email Address: _____ Fax Number: _____

PART 3 - SIGN OFF AREA

The Member agrees to cooperate with and provide to Bandera Electric Cooperative, Inc. any additional information required to complete the Member-Owned Generation Interconnection process. Further, the Member agrees they shall operate their equipment within the guidelines set forth by Bandera Electric Cooperative, Inc.

Member

Date

**BANDERA ELECTRIC COOPERATIVE CONTACT FOR
APPLICATION SUBMISSION AND FOR MORE INFORMATION:**

Cooperative Contact: Manager, Engineering

Address:
3172 State Hwy 16 North
P.O. Box 667
Bandera, Texas 78003

Phone: 830-796-3741
Fax: 830-460-3030
Web site: www.banderaelectric.com

For BEC Use Only:

Date Application Initially Received by BEC: _____ By: _____

Application Fee Required? ___No ___Yes \$ _____

Application Fee Received? Amount: _____ Date: _____ By: _____

Date Application Deemed Complete: _____ By: _____

Project Proposed on Substation: _____ Feeder: _____

APPENDIX E

LIST OF REFERENCES

1. 26 CFR §292.204 Criteria for Qualifying Small Power Production Facilities
2. 2003 IEEE 1547 Standard for Interconnecting Distributed Resources with Electric Power Systems.
3. ANSI C84.1-2006 American National Standard For Electric Power Systems and Equipment-Voltage Ratings (60Hertz0).
4. 1992 IEEE 519: IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems.
5. ERCOT Nodal Protocols: <http://www.ercot.com/mktrules/nprotocols/>
6. ERCOT Operating Procedures: <http://www.ercot.com/mktrules/guides/procedures/>

BANDERA ELECTRIC COOPERATIVE, INC. Tariff for Electric Service		Section VII	Sheet No. 102
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SERVICE RULES AND REGULATIONS Section VII – Rates & Charges APPLICABLE TO ALL AREAS SERVED		ADOPTED DATE: March 22, 2017 REPLACING REVISION OF: August 27, 2014 EFFECTIVE DATE: April 5, 2017	

Section VII – Rates & Charges

701 Fee Schedules

701.1 Distribution - Miscellaneous

Fee Description	Fee	Tariff Reference	Revision Date
Membership	\$25	204.1	September 4, 1996
<u>Administrative Fee</u>			
Manual/Remote Disconnect Manual/Remote Connect Clearances Meter Test (if tested OK)	\$25	204.2 and 324.4	August 27, 2014
Returned Check	\$35	204.3	August 27, 2014
<u>Member Request Fee</u>			
Voltage Complaint Outage Additional Meter Loop Inspection General/Miscellaneous Member Taking Over DG Installation	\$75	204.4 341.2	August 27, 2014
<u>Enhanced Services Fee</u>			
Real Estate Show (4 day max) Same Day Service	\$100	204.5	August 27, 2014

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Basic Energy Audit	\$100	204.5	
Energy Audit			
<u>Delinquent Service Fee –</u>			
<u>Manual/Remote</u>	\$100	204.6	August 27, 2014
Meter Tampering	\$750 minimum	204.7	August 27, 2014
Late Payment Fee	Not to exceed 5% of bill	204.8	August 27, 2014
Retail Electric Service Switchovers	Base Charge: \$48.60	204.9	August 27, 2014
Opens Records Fee	\$0.25 per page	N/A	June 1, 2008

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		Revision No.: 1	
SERVICE RULES AND REGULATIONS Section VII – Rates & Charges APPLICABLE TO ALL AREAS SERVED		ADOPTED DATE: February 24, 2016 REPLACING REVISION OF September 1, 2013 EFFECTIVE DATE: March 1, 2016	

Section VII – Rates & Charges

701.2 Distribution – Engineering & Application Fees

Fee Description	Fee	Tariff Reference	Revision Date
Engineering Fee: Requests for Relocation of Cooperative Facilities	\$200	305.1(B)	February 24, 2016
Applications for Single-Phase Service	\$200	305.1(B)	June 1, 2008
Applications for Three-Phase Service	\$200	305.1(B)	February 24, 2016
Applications for Apts., Trailer Parks, Hotels & Motels, or Other Multi-Use Installations	\$20 per unit or space	305.1(B)	June 1, 2008
Outdoor Light Installation/Relocation Upgrade/Removal (no new pole) (non-refundable)	\$75	202.3(C)(1)	February 24, 2016
Outdoor Light Installation (requiring new pole) (engineering services)	\$200	202.3(C)(2)(a)	October 28, 2015

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SERVICE RULES AND REGULATIONS Section VII – Rates & Charges		ADOPTED DATE: June 1, 2008	
APPLICABLE TO ALL AREAS SERVED		EFFECTIVE DATE: June 1, 2008	

Section VII – Rates & Charges

701.3 Distribution – Line Extensions, Single-Phase

Fee Description	Fee	Tariff Reference	Revision Date
Single-Phase, Permanently Occupied Installations	No charge to the Applicant for the lesser of the following construction allowance: 1) the Cooperative's estimated cost to extend its overhead or underground service to the Applicant's point of delivery; or 2) the first \$1,700 of estimated cost of constructing the extension	305.2(A)	June 1, 2008
Single-Phase Non- Permanently Occupied Installations	No charge to the Applicant for the lesser of the following construction allowance: 1) the Cooperative's estimated cost to extend its overhead or underground service to the Applicant's point of delivery; or 2) the first \$500 of estimated cost of constructing the extension.	305.2(B)	June 1, 2008

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SERVICE RULES AND REGULATIONS Section VII – Rates & Charges APPLICABLE TO ALL AREAS SERVED	ADOPTED DATE: June 1, 2008 EFFECTIVE DATE: June 1, 2008		

Section VII – Rates & Charges

701.4 Distribution – Line Extensions, Three-Phase

Fee Description	Fee	Tariff Reference	Revision Date
Three-Phase	No charge to the Applicant for the lesser of the following construction allowance: 1) the Cooperative's estimated cost to extend its overhead or underground service to the Applicant's point of delivery; or 2) the first \$1,700 of estimated cost of constructing the extension	305.3(A)	June 1, 2008

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SERVICE RULES AND REGULATIONS Section VII – Rates & Charges		ADOPTED DATE: June 1, 2008	
APPLICABLE TO ALL AREAS SERVED		EFFECTIVE DATE: June 1, 2008	

Section VII – Rates & Charges

701.5 Distribution – Line Extensions, Subdivisions

Fee Description	Fee	Tariff Reference	Revision Date
Non- Refundable Engineering Fee for Overhead	\$0.50 per lineal foot of lot frontage, as reflected on the plat	305.6(A)	June 1, 2008
Non- Refundable Engineering Fee for Underground	\$1.75 per lineal foot of lot frontage, as reflected on the plat	305.6(A)	June 1, 2008
Pro-rata refund	Shall be equal to the lesser of the per lot cost of the electric facilities, or \$1,700 per lot for single-phase or three-phase commercial service. There is a limit of one refund per lot.	305.6(B)	June 1, 2008

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Section VII – Rates & Charges

701.6 Small Power Production

Fee Description	Fee	Tariff Reference	Revision Date
Small Power Production	\$250	502.2 & 341.2	July 24, 2013
Member Request Fee	\$75	341.2	July 24, 2013

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Section VII – Rates & Charges

702 Availability Charges General Service, Single – Phase and Three – Phase Distribution

702.1 Small Power

Service Type	Availability Charge	Tariff Reference	Revision Date
Single-Phase per meter	\$25.00	202.1	September 1, 2013
Three-Phase per meter	\$35.00	202.1	September 1, 2013

702.2 Large Power

Service Type	Availability Charge	Capacity Charge (Demand Charge, per billing kW)	Tariff Reference	Revision Date
Single-Phase or Three-Phase, per meter	\$72.50	\$4.20	202.2	September 1, 2013

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SERVICE RULES AND REGULATIONS Section VII – Rates & Charges APPLICABLE TO ALL AREAS SERVED		ADOPTED DATE: September 1, 2013 EFFECTIVE DATE: September 1, 2013	

702.3 Irrigation

Service Type	Availability Charge	Capacity Charge (Demand Charge, per billing kW)	Tariff Reference	Revision Date
Single-Phase, per meter	\$25.00	\$1.55	202.5	September 1, 2013
Three-Phase, Per meter	\$35.00	\$1.55	202.5	September 1, 2013

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APPLICABLE TO ALL AREAS SERVED		EFFECTIVE DATE: April 5, 2017	

Section VII – Rates & Charges

703 Energy Rates – Single – Phase and Three – Phase Distribution

703.1 Small Power DG Rates and Avoided Cost Multiplier for BEC and Purchases From Producer

Service Type	Energy Charge (\$/kWh)	Delivery/ Distribution (\$/kWh)	Total	Tariff Reference	Revision
Single-Phase, per meter	\$0.067075	\$0.021358	\$0.088433	202.1(C)	September 1, 2013
Three-Phase per meter	\$0.067075	\$0.019442	\$0.086517	202.1(C)	September 1, 2013

Service Type	*Avoided Wholesale Cost	Tariff Reference	Revision
Single-Phase, per meter	\$0.050541	202.7(B)	September 1, 2013
Three-Phase per meter	\$0.050541	202.7(B)	September 1, 2013
*Avoided Cost changes annually. Contact BEC with latest cost(\$).			

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Section VII – Rates & Charges

703.2 Large Power

Service Type	Energy Charge (\$/kWh)	Delivery/ Distribution (\$/kWh)	Total	Tariff Reference	Revision
Single-Phase, per meter	\$0.065900	\$0	\$0.065900	202.2(C)	September 1, 2013
Three-Phase, per meter	\$0.065900	\$0	\$0.065900	202.2(C)	September 1, 2013

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703.3 Outdoor Lighting

Light Type	Monthly Rate (per fixture)	Energy Charge (\$/kWh)	Tariff Reference	Revision Date
175 Watt Mercury Vapor (AK10) (No longer available for install)	\$7.70	\$0.062079	202.3(D) 305.5	October 28, 2015
400 Watt Mercury Vapor (PB 400) (No longer available for install)	\$10.35	\$0.062079	202.3(D) 305.5	October 28, 2015
100 Watt High Pressure Sodium (No longer available for install)	\$9.95	\$0.062079	202.3(D) 305.5	September 1, 2013
250 Watt High Pressure Sodium (No longer available for install)	\$14.15	\$0.062079	202.3(D) 305.5	September 1, 2013
50 Watt LED	\$10.00	\$0.00	202.3(D) 305.5	October 28, 2015
80 Watt LED	\$11.00	\$0.00	202.3(D) 305.5	October 28, 2015
100 Watt LED	\$14.00	\$0.00	202.3(D) 305.5	October 28, 2015
Monthly kwh usage shall be determined from metered usage on photocell-controlled lamps on the Cooperative's property. LED fixtures will not incur an energy charge.				

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Section VII – Rates & Charges

703.5 Irrigation

Service Type	Energy Charge (\$/kWh)	Delivery/ Distribution (\$/kWh)	Total	Tariff Reference	Revision
Single-Phase, per meter	\$0.067075	\$0.010000	\$0.077075	202.5(C)	September 1, 2013
Three-Phase, per meter	\$0.067075	\$0.010000	\$0.077075	202.5(C)	September 1, 2013

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SERVICE RULES AND REGULATIONS Section VII – Rates & Charges APPLICABLE TO ALL AREAS SERVED		ADOPTED DATE: March 22, 2017 Replacing Revisions of: September 1, 2013 EFFECTIVE DATE: April 5, 2017	

Section VII – Rates & Charges

703.6 Distributed Generation (DG) Service Charge

Service Type	DG Charge	Tariff Reference	Revision Date
Small DG Application Fee	\$250 Fee	341.2	April 5, 2017

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		Revision No.: 4	
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Section VII – Rates & Charges

703.7 TBU (Time Based Usage) Voluntary Energy Efficiency Program

Service Type General Service Single-Phase	Energy Charge (\$/kWh)	Delivery/ Distribution (\$/kWh)	Total	Tariff Reference	Revision Date
Summer Economy (Jun-Sept) (11:01 p.m. – 10:00 a.m.)	\$0.045200	\$0.021358	\$0.066558	202.8(C)	July 1, 2016
Summer Normal (Jun-Sept) (10:01 a.m. – 2:00 p.m., 6:01 p.m. – 11:00 p.m.)	\$0.064200	\$0.021358	\$0.085558	202.8(C)	July 1, 2016
Summer Peak (Jun-Sept) (2:01 p.m. – 6:00 p.m.)	\$0.109000	\$0.021358	\$0.130358	202.8(C)	July 1, 2016
Non-Summer Economy (Oct-May) (11:01 p.m. – 7:00 a.m.)	\$0.048000	\$0.021358	\$0.069358	202.8(C)	July 1, 2016
Non-Summer Normal (Oct-May) (7:01 a.m. – 5:00 p.m., 7:01 p.m. – 11:00 p.m.)	\$0.059200	\$0.021358	\$0.080558	202.8(C)	July 1, 2016
Non-Summer Peak (Oct-May) (5:01 p.m. – 7:00 p.m.)	\$0.070700	\$0.021358	\$0.092058	202.8(C)	July 1, 2016