

ELECTRIC SERVICE REGULATIONS
Rules, Regulations, or Extension Policy

I. PURPOSE

La Plata Electric Association, Inc's. (the "Association") Electric Service Regulations (the "Regulations") sets forth the terms and conditions of the Rate Schedules and under which electric distribution service is supplied to its Members/Customers. The Association conducts its electric business activities in compliance with these regulations.

These Regulations supersede all previous Regulations, which may have been in effect, and may be revised when necessary, upon the approval of the Association's Board of Directors. Copies are available at the offices of the Association.

II. DEFINITIONS

The following terms, when used in these regulations shall, unless otherwise indicated, have the meanings given below:

A. Backbone System

Backbone System is all of the Association's distribution facilities.

B. Bill Components

1. Base charge is the charge(s) for service to the consumer that is derived from the Association's fixed costs.
2. Energy charge is the charge associated with the consumption of electricity over a period of time by the consumer of the power system.
3. Demand charge is the charge associated with the maximum rate of flow of electricity demanded at one point in time during a typical billing period.
4. Franchise fees are those fees imposed upon the Association by Franchise Agreements with public entities.
5. Taxes are sales and use taxes associated with state, city, and county taxes.
6. Adjustments are charges or credits associated with the consumer's bill including, but not limited to:
 - a. Misread meters
 - b. Transfer amounts from one account to another
 - c. Delinquent charges
 - d. Collection fees
 - e. Tampering fees
 - f. Over/under payments
 - g. Transfer amount for other charges due the Association
 - h. Estimated usage

C. Connected Load

Connected Load is the combined rated capacity of all of the consumer's electrical energy consuming equipment.



Signature of Issuing Officer

Issue Date 06/18/08

Date of Board Approval 06/18/08

Chief Executive Officer
Title

Effective Date 09/01/08

ELECTRIC SERVICE REGULATIONS
Rules, Regulations, or Extension Policy

D. Consumer's Installation

Consumer's Installation is the wiring and apparatus owned by the consumer on their side of the Point of Delivery (except the Association's meter).

E. Distribution System

Distribution System is all of the Association's facilities from the Transmission System to the consumer's installation, including the Association's meter.

F. Electric Service

Electric Service is the availability of electric power and energy at the consumer's Point of Delivery.

G. Idle Service

Idle Services is an Electrical Service that has been disconnected and has remained disconnected for more than a month.

H. Indeterminate Service

Indeterminate Service is Electric Service to all industrial and commercial facilities where the use of electricity, in either amount or permanency, cannot be determined with assurance. Examples of Indeterminate Service include, but are not limited to: mines, quarries, oil/gas wells, industrial and commercial enterprises, irrigation systems, apartment buildings and mobile home parks.

I. Month

Month is the period of approximately 30 days intervening between regular meter reading dates.

J. Permanent Service

Permanent Service is Electric Service to a single residential Applicant.

K. Point of Delivery

Point of Delivery is the point at which the Association's facilities are connected with the consumer's installation (usually referred to by the Association as the point of attachment) unless otherwise specified.

L. Power Factor

Power Factor is the ratio of active power (kW) to apparent power (kVA) as measured.

M. Round Up Foundation



Signature of Issuing Officer

Issue Date 06/18/08

Date of Board

Approval 06/18/08

Chief Executive Officer

Effective Date 09/01/08

Title

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

Round Up Foundation is a community service program developed to gather voluntary contributions from participating co-op members by rounding up their monthly bills to the next dollar. These donations are available to local organizations requesting assistance. Agencies must apply for these funds through the Operation Round-Up board of directors.

N. Standard Service Voltage (Service Voltage)

Standard Service Voltage is the voltage supplied to the consumer's Connected Load. This voltage is held at a level in accordance to common industry practice. The typical Service Voltage for Electric Service that is available is as follows:

Average Voltages – 120; 208; 240; 277; 480; 2,400; 4,160; 7,200; 12,470; 46,000; 69,000; 115,000

O. Subdivisions

Subdivisions shall be defined by the local governing body of the city, county, state, or entity having jurisdiction.

P. Temporary Service

Temporary Service is Electric Service to projects or enterprises for which the uses of electricity may be of a short duration by their nature. Examples of Temporary Service include, but are not limited to: construction projects, fairs, circuses, recreational vehicles, mining, oil and/or gas production during start up stages and other enterprises of short term longevity.

Q. Transmission System

Transmission System is all of the Association's facilities typically energized at 46,000 volts or higher. The Transmission System interconnects the Association's electrical substations.

R. Year

Year is the period between the date of commencement of Electric Service and the same day of the following calendar year.

III. CONSTRUCTION AND SERVICE REGULATIONS

A. RATE SCHEDULES AND ELECTRIC SERVICE REGULATIONS

The provisions of the Rate Schedules will take precedence followed by the provisions of the Electric Service Regulations.

B. IDLE SERVICES



Signature of Issuing Officer

Issue Date 06/18/08

Date of Board Approval 06/18/08

Chief Executive Officer

Effective Date 09/01/08

Title

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

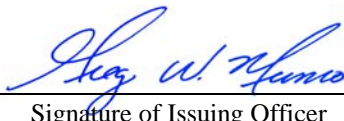
When Electric Service has been idle for 12 consecutive months, and when there are no contractual obligations on the part of the consumer to retain the Electric Service, the Association reserves the right to remove the Electric Service, including all of the Association's electric overhead and/or underground system, but not limited to, poles, lines, cables, service drops and facilities, at its option, after 30 days written notice to the consumer.

C. DISCONTINUANCE AND RESTORATION OF SERVICE

1. Consumers who intend to move from the premises or discontinue the use of electricity or in any way terminate their liability hereunder, shall give the Association notice of such intention and the consumer will be liable for payment for all electricity that may be used upon the premises until such notice is given and the Association has made the final meter reading.
2. The Association reserves the right to interrupt Electric Service for a reasonable period for repairs to its property or equipment, or when public safety is endangered. When possible, notice will be given to affected consumers of such planned interruption of service.
3. The Association reserves the right to discontinue or deny Electric Service for any of the following reasons, provided, however, the consumer shall be allowed a reasonable time in which to comply with the rule before Electric Service is discontinued, except as provided in a,b,c, and d below.
 - a. Without notice in the event of a condition determined by the Association to be hazardous.
 - b. Without notice in the event of consumer use of equipment in such manner as to adversely affect the Association's equipment or the Association's service to others.
 - c. Without notice in the event of consumer's tampering with, damaging, or deliberately destroying the equipment furnished and owned by the Association.
 - d. Without notice in the event of unauthorized use.
 - e. For violation of and/or non-compliance with the Association's rules.
 - f. For failure of the consumer to fulfill his/her contractual obligations for service and/or facilities.
 - g. For failure of the consumer to permit the Association reasonable access to its equipment.
 - h. For non-payment of bill, provided the Association has given proper notice.
 - i. For failure of the consumer to furnish such service equipment, permits, certificates, and/or rights-of-way, as shall have been specified by the Association as a condition to obtaining Electric Service, or in the event that such equipment or permissions are withdrawn or terminated.
 - j. When made illegal by order, ordinances, or laws of any governmental authority having jurisdiction.

D. SHORTAGE OF SUPPLY

1. The Association will use reasonable diligence in furnishing a regular and uninterrupted supply of power and energy, but the Association shall not be liable for damages in case such supply should be



 Signature of Issuing Officer

Issue Date 06/18/08

Date of Board

Approval 06/18/08

Chief Executive Officer

Effective Date 09/01/08

Title

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

interrupted or fail by reason of act of God, the public enemy, accidents, strikes, damage to the equipment or distribution and transmission lines of the Association, failure of wholesale power supply or any other cause beyond the control of the Association and not due to the negligence of the Association, its agents or employees. Furthermore, the Association shall not be liable for damages occasioned by a reasonable interruption of or reduction in Electric Service when such interruptions or reductions are necessary to make repairs or changes in the Association's transmission or distribution facilities.

- 2. The Association further reserves the right to limit new or additional Electric Service commensurate with the available unreserved capacity in production, transmission, distribution, and substation facilities. In all cases where such existing facilities are limited, the Association may require a written contract for a suitable initial contract period, adequate to warrant the investment and reservation of capacity required to render such Electric Service.

E. CONNECTION TO BE MADE BY THE ASSOCIATION

- 1. The Association will install the necessary service wires from the nearest pole or underground facility of the Association so that the Association can connect its wires directly to the consumer's Point of Delivery. The Association will, at its expense, connect the consumer's service loop or meter pedestal to the Association's service wires at the point of contact of the Association's wires to the Point of Delivery and install the meter. All other connections and wiring shall be made at the consumer's expense.
- 2. The consumer agrees, in accepting service, that no one except the Association shall be allowed to make internal or external adjustments of any meter or any other piece of apparatus, which is the property of the Association.

F. INGRESS AND EGRESS ON CONSUMER'S PREMISES

An identified representative of the Association shall have the right of ingress and egress to and from the consumer's premises at all reasonable hours for the purpose of inspecting, testing, or changing its meters, removing its meters, wires, and appliances, obtaining correct Connected Load data, measuring demand, inspecting the character of the consumer's appliances and apparatus supplied with electricity from its system, and for the purpose of cutting, trimming, and pruning trees, brush and shrubbery to the extent necessary to keep them clear of the electric line or system.

G. SUCCESSORS AND ASSIGNS


Contracts for Electric Service shall inure to the benefit of and be binding upon the successors in interest, assigns, and legal representatives of the Association and of the consumer, but no assignment by the consumer shall be binding upon the Association until accepted by the latter in writing.

H. CONSUMER'S RESPONSIBILITY

The consumer assumes all responsibility on his or her side of the Point of Delivery for Electric Service supplied or taken, as well as for the electrical installation and appliances used in connection therewith, and will indemnify, save harmless and defend the Association against all claims, demands, costs or expenses, for loss, damage or injury to persons or property, in any manner directly or indirectly connected with, or growing out of, the use, misuse, or presence of electricity on the consumer's side of the Point of Delivery.

Should the consumer elect to

install standby generating equipment, it



 Signature of Issuing Officer

Issue Date 06/18/08

Date of Board

Approval 06/18/08

 Chief Executive Officer
 Title

Effective Date 09/01/08

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

shall be connected to the service wires with a double pole, double throw switch so as to preclude the possibility of the Association's lines or facilities becoming energized from the standby generating equipment.

If a consumer-generator is net metered, which is essentially measuring the difference in an applicable billing period between the electricity supplied by the Association to the consumer and the electricity generated and delivered to the Association at the same point of interconnection, the consumer shall sign up for the applicable net metering rate. The design and installation of the consumer's net metering system must comply with all applicable laws and regulations and shall meet all current and future safety and performance standards established by the Association's Interconnection Policy, National Electric Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories and be approved by the Association.

I. CONSUMER'S INSTALLATION AND EQUIPMENT

All wires and equipment except the Association's meters and accessories on the consumer's side of the Point of Delivery must be installed and maintained at the expense of the consumer. All wires, apparatus and equipment shall be selected with a view of obtaining safety, good efficiency, good voltage regulation, and the highest practical power factor, and shall comply with the standards of the National Electrical Safety Code issued by the National Bureau of Standards and the National Electric Code of the National Board of Fire Underwriters and also with regulations of any governmental authority having jurisdiction. The consumer shall not employ or utilize any equipment, appliances, or devices that will adversely affect the Association's service to the consumer or other consumers. Maximum loads to be supplied on 120 volt and 240 volt single-phase circuits shall be in accordance with the service standards of the Association. Appropriate starting control devices for motors must be installed. Electric fence controllers must be approved by the Underwriters Laboratories, Inc., and any governmental authority having jurisdiction. The consumer shall so arrange his load that there will be at the Point of Delivery a reasonable electric load balance between the phases of a polyphase circuit and between the two sides of a single-phase, three-wire circuit.

J. HIGHLY FLUCTUATING LOADS/SUBSTANTIAL CURRENT DRAW (Flicker Problems)


If the consumer uses welding machines, x-ray apparatus, elevators, continuous miners, motors, or other equipment with highly fluctuating load characteristics (flicker), or having an abnormal effect on system voltage or current flow, the consumer shall be required to install such equipment as to correct the problem within 90 days after notification or the Association may either install such equipment to correct the problem at the expense of the consumer, or disconnect such consumer in order to protect the quality of Electric Service to other existing consumers and the Association's electrical system.

K. CHANGES IN INSTALLATION

As the Association's wires, transformers, meters, and other facilities used in supplying service to the consumer have a definite limited capacity, the consumer shall give notice to the Association and obtain its consent before making any material changes or increases in the consumer's connected load. The Association will, as promptly as possible, give its approval to the proposed change or advise as to necessary new conditions for service.

L. ASSOCIATION PROPERTY

All Association property, including, but not limited to, wires, equipment, poles and apparatus, shall remain its property; and when it is located on the consumer's premises, the consumer shall permit no one but Association agents or persons authorized by the Association to inspect or handle the same. In the event of any loss or damage to such property of the Association caused



Signature of Issuing Officer

Issue Date 06/18/08

Date of Board

Approval 06/18/08

Chief Executive Officer

Effective Date 09/01/08

Title

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

by or arising out of carelessness, negligence, or misuse by the consumer or other unauthorized persons, the cost of making good such loss or repairing such damage shall be paid by the consumer.

M. RIGHT-OF-WAY

The consumer, without expense to the Association, shall make or procure conveyance to the Association of satisfactory Right-of-Way easements across the property owned or controlled by the consumer, as well as property owned or controlled by third parties, which must be crossed in order to provide service to the consumer, for the Association's lines or extensions thereof necessary or incidental to the furnishing of service to the consumer, and shall permit access thereto by the Association at all reasonable hours. The consumer shall permit the Association to trim the limbs and tops of trees to the extent that such trimming shall be reasonably necessary to avoid interference with the Association's lines.

IV. METER REGULATIONS

A. INSTALLATION

The Association will furnish, install, maintain, and own the necessary metering to measure the power and energy used by the consumer. The consumer shall provide and maintain a satisfactory location for the installation of the meter, facing the street, if at all possible, without expense to the Association. The meter shall not be located in an inaccessible area of the consumer's premise, such as inside house porches or other locations that cannot be approached at all times. Relocation of unacceptable meter locations shall be at the consumer's expense. Meter installations shall be installed in accordance with the National Electrical Safety Code and inspected and properly tagged by the State Electrical Inspector before the service will be energized. Normal Association meter installations will be in an Association-owned meter pedestal located near the transformer. It shall be the consumer's responsibility to install, own, and maintain the service line from the meter pedestal to their Connected Load.

B. FAILURE TO REGISTER

If the Association's meter shall fail at any time to register accurately, or if the Association is unable to read a meter for any reason, the Association may estimate the consumer's meter reading during the time of such meter failure or inability to read the meter, using the best available data.

Any consumer shall be permitted to make installment payments if a bill includes amounts from past billing periods arising solely from events under control of the Association such as meter malfunctions, billing errors, meter reading errors, or failure to read the meter, which failure shall not apply where the meter is not readily accessible to the Association and the consumer refuses to read his or her own meter when requested. Any installment payments under the provision of this rule may extend over a period of time equal in length to the period during which the error(s) were accumulated and shall incur no interest.

If any appliance or wiring connections are found on consumer's premise that prevent the meter from accurately recording the total amount of demand and/or energy used on the premises, the Association may refuse further service, and/or require the consumer to make such changes in the consumer's wiring installation as the Association deems proper, and may estimate the demand and amount of energy consumed and not registered as accurately as it is able to do so. The consumer will be required to pay for this estimated consumption and costs of disconnecting and connecting service, plus other costs of meter repair.



Signature of Issuing Officer

Issue Date 06/18/08

Date of Board

Approval 06/18/08

Chief Executive Officer

Effective Date 09/01/08

Title

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

C. METER TESTS BY THE ASSOCIATION

The Association will test and inspect its meters and meter installations from time to time in accordance with generally accepted meter testing practices' The Association shall make a test of the accuracy of any electric meter or meter installation free of charge upon request of a consumer; provided that the meter has not been tested within the 12-month period prior to such request, and provided that the consumer will accept the results of such test as a basis for the settlement of any difference claimed. A written report giving the result of such test shall be made available to the consumer requesting it. If the consumer requests more than one meter test within a 12-month period, the consumer will be billed for all test-related expenses subsequent to the first test, unless the meter is found to be inaccurate.

D. STANDARD OF ACCURACY

No service watt-hour meter that has an incorrect register constant, test constant, gear ratio, or dial train, or that registers upon no load ("creeps"), shall be placed in service or allowed to remain in service without proper adjustments and correction. No service watt-hour meter that has an error in registration of more than plus or minus 2 percent (calculated at light load) shall be placed in service. Demand meters may have an allowable error of not more than 2 percent of full-scale deflection except that the allowable error for thermal type meter may be 3 percent. Whenever, by periodic or any other test, a meter is found to exceed these limits, it will be adjusted. A meter creeps when, with all load wires disconnected, the moving element makes one complete revolution in 10 minutes or less. Light load shall be construed to mean 10 percent of the nameplate rated test amps of the meter. Heavy load shall be construed to mean 100 percent of the nameplate rated test amps of the meter.

Meters used with instrument transformers or shunts shall be adjusted so that the overall accuracy of the metering installation will meet the requirements of this regulation.

Solid state meters shall be adjusted so that the overall accuracy of the meter will meet the requirements of this regulation.

E. ADJUSTMENTS OF BILLS FOR METER ERRORS

If upon testing of any service watt-hour meter, made upon the request of the consumer, by the utility, is found to be more than 2 percent fast at any load, additional tests shall be made to determine the average error of the meter.

Average error: The average error of the meter in tests made by the Association at the request of the consumer shall be defined as the arithmetic average of the percent registration at light load and at heavy load, giving the heavy load registration a weight of four and the light load registration a weight of one.

When a meter is found to have a positive average error; that is, is fast in excess of 2 percent in tests made at the request of the consumer by the Association, the Association shall refund to the consumer an amount equal to the excess charged for the kilowatt-hours incorrectly metered for a period equal to one-half of the time elapsed since the last previous test, but not to exceed six months.

When a meter is found to have a negative average error: that is, is slow in excess of the 2 percent in tests made at the request of the consumer, the Association shall charge the consumer for the kilowatt-hours incorrectly metered for a period equal to one-half of the time of the time elapsed since the last previous test, but not to exceed six months.

Signature of Issuing Officer

Issue Date 06/18/08

Date of Board Approval 06/18/08

Chief Executive Officer Title

Effective Date 09/01/08

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

If a meter is found to have an incorrect register ratio or multiplier, the error shall be corrected. Where the error is adverse to the consumer, the Association shall refund to the consumer an amount equal to the excess charged for kilowatt-hours incorrectly metered for the period of time the meter was used in billing the consumer, but not to exceed six months. Where the error is adverse to the Association, the Association may make a charge to the consumer for the kilowatt-hours incorrectly metered for the period of time the meter was used in billing the consumer, but not to exceed six months.

F. METER TAMPERING

In the event that a meter is by-passed, tampered with, or otherwise caused to record incorrectly the amount of electricity used, the Association may disconnect service without notice, and may require a cash bond ranging from \$150.00 to \$1,000.00 to be posted tied to the service type as discussed in Part I Deposits Section 12 as assurance against further depredations before service is resumed. Breaking a meter seal without notifying the Association thereof shall be considered prima facie evidence of tampering.

The cash bond shall be refundable, without interest upon the consumer leaving the Association service area or at a time the Association may deem appropriate.

In the event of unauthorized connection of service by a consumer, the Electric Service will be disconnected and the above cash bond provision may be invoked by the Association.

Upon payment by the consumer of the cash bond, service deposit, all applicable service charges, estimated energy charges, and demand charges if applicable, the Electric Service will be restored.

G. TRANSFORMER LOSSES

When delivery of service is on the primary side of a consumer's transformer, the Association may elect to install its meter on the secondary side of the transformer; and, in this case, transformer and other losses occurring between the Point of Delivery and the meter will be computed and added to the meter reading to determine the monthly demand and energy consumption.

V. RATES AND BILLING REGULATIONS


A. RATE SCHEDULES

The rates prescribed by all Rate Schedules are subject to revision upon approval of the Association's Board of Directors.

B. SELECTION AND CHANGES OF RATE SCHEDULES

The Association will place the prospective consumer in the applicable Rate Schedule for Electric Service requested based on the consumer's statement of the class of service desired, the amount and manner of use, and other pertinent information. The consumer's rate may change when the Association finds information leading to the determination that the existing rate is in error, or the consumer notifies the Association in writing that there has been a change in status and the Association finds a change in rates is necessary. Such change in rate will be made from the most recent meter reading.

C. BILLING PERIOD



Signature of Issuing Officer

Issue Date 06/18/08

Date of Board Approval 06/18/08

Chief Executive Officer
Title

Effective Date 09/01/08

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

Bills ordinarily will be rendered regularly at monthly intervals. The numbers of days in a billing cycle may vary from month to month, but in no case will the billing cycle be less than 20 days. Estimated bills will be prepared when meter readings cannot be secured.

D. ADDRESS OF CONSUMER

Bills will be mailed to the address of the consumer who signs the Application for Service or to such other address as the consumer may from time to time request. The consumer who signs the Application for Service shall remain liable for payment of all billings. In the event said consumer is deceased, or otherwise, unavailable, those receiving the benefit of the Electric Service shall be liable for payment of all billings.

E. SEPARATE BILLINGS

At each Point of Delivery, the use of the Electric Service shall be metered separately for each consumer served. Whenever, for any reason, the Association furnishes two or more meter installations for a single consumer, each point of metering shall be considered a separate Electric Service and shall be separately billed. The consumer may request their Electric Services be combined for billing purposes.

F. BILLS

All bills tendered to the consumer for metered service furnished shall show:


1. Net amount due;
2. Dates and meter readings beginning and ending the period during which service was rendered;
3. A distinct marking to identity estimated billing;
4. An appropriate rate or rate code identification;
5. Last day payable after which bill becomes past due; and
6. All other essential facts upon which the bill is based, including factors and/or constants where applicable.

Any consumer shall be permitted to make installment payments if a bill includes amount from past billing periods arising solely from events under the control of the Association, such as meter malfunctions, billing errors, or meter reading errors. Any installment payments under the provisions of these Regulations may extend over a period equal in length to the period during which the errors were accumulated and shall incur no interest.

The Association may permit installment payments for delinquent amounts due the Association as set forth in these Regulations.

G BUDGET BILLING

Residential consumers served by the Association may elect to pay monthly bills for service on a Budget Billing Plan subject to the terms and conditions set forth herein. The Budget Billing Plan may be selected by an eligible consumer and entered into



 Signature of Issuing Officer

Issue Date 06/18/08

Date of Board Approval 06/18/08

 Chief Executive Officer
 Title

Effective Date 09/01/08

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

during any month of the year after complying with requirements set forth in this section.

Any consumer electing the Budget Billing Plan shall pay monthly an amount equal to one-twelfth of the total of the most recent 12 months billing at that address. Said monthly payment shall be made for each month except in the settlement month. The difference between the total payments made during the prior months and the actual billings are computed in the settlement month. If the settlement amount is a credit balance, the credit will be applied to future billings or refunded if requested by the consumer. If the settlement amount is a balance owed by the consumer, the total balance will be due and payable on the due date indicated on the bill for the settlement month.


To be eligible to participate in the Budget Billing Plan, a consumer shall have met the following requirements:

1. There shall be a minimum of 12 months previous Electric Service by the Association to the consumer at the location where the Budget Billing Plan is to be implemented. If the consumer does not have history of usage at that address, their account can be set up on a variable budget for the first 12 months Electric Service and then a fixed budget thereafter.
2. The consumer shall owe no amounts to the Association for Electric Service.
3. Normal collection procedures shall be applicable if a consumer fails to pay the Budget Billing amount in any month when due. If the consumer becomes delinquent on the Budget Billing and has a debit balance on his account based on actual usage, the consumer shall be required to pay the balance in full and be eliminated from the program. If the consumer on the plan has a credit balance and fails to make the monthly installment, the consumer shall be given the opportunity to make up the payment(s). If the consumer elects not to make up the payment, the credit shall apply to future bills and the consumer shall be eliminated from the program.
4. If the Electric Service is terminated for any reason to a consumer on the Budget Billing Plan, the consumer shall be removed from the plan and the entire outstanding amount shall be due and payable.
5. The monthly Budget Billing amount may be adjusted, at the option of the Association, for any changes in the Association rates. Said monthly Budget Billing amount may also be adjusted prior to the settlement month at the option of the Association if the consumer's use of electricity increases substantially.
6. The consumer may elect to terminate the Budget Billing Plan at any time by notifying the Association in writing and by paying in full the entire outstanding amount of the account.
7. The Budget Billing Plan will be adjusted each year by taking into consideration the following:
 - a. Rate increases or decreases put into effect during the year.
 - b. Credit or debit balances at adjustment time.
 - c. Increase or decrease in usage.
 - d. Contract refunds.
8. The Budget Billing Plan will automatically continue from year to year unless terminated by either party.

H. ASSOCIATION CHARGES

1. Application Charges – For

all applications for Electric



 Signature of Issuing Officer

Issue Date 06/18/08

Date of Board

Approval 06/18/08

 Chief Executive Officer
 Title

Effective Date 09/01/08

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

Service where a new account is established the Association will charge \$20.00.

- 2. Service Charges – For all service trips to connect a service, read meter for account change, collect a bill, disconnect a service for non-payment, reconnect service after non-payment disconnect, for interruptions caused by consumer negligence, or failure of consumer owned equipment, even though the Association is unable to perform any work beyond the Point of Delivery:


| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| During Normal working hours | \$20.00 |
| After normal working hours, but only upon request of the consumer, plus a round trip charge based on the current Standard Mileage Rate for business travel from the IRS | \$60.00 |
| To connect temporary service | \$75.00 |

- 3. Meter Test Charge – For any test request beyond the first by a consumer in a twelve-month period the charge shall be \$40.00 for each test requested.
- 4. Insufficient Funds Charge – For all checks returned to the Association marked unpaid the charge shall be \$20.00.

I. DEPOSITS

- 1. The Association may require at any time from any consumer or prospective consumer a deposit intended to guarantee payment of monthly electric bills. The deposit shall be in the form of cash, irrevocable letter of credit from a bank or other acceptable financial institution, or a bond.
- 2. Residential consumers shall pay the required deposit. The deposit shall be refunded in accordance with these regulations. This deposit may be waived under one of the following conditions:
 - a. The consumer provides the Association with proof of a good payment record from their previous utility for the preceding 12 months of service.
 - b. A good credit history indicated from the in-house credit service subscribed to by the Association. This report must reflect a current credit history.
- 3. Commercial consumers shall pay the required deposit prior to connect. The deposit shall be refunded in accordance with these regulations.
- 4. Consumers who have received service in the past 12 months from the Association may be required to make a new or additional deposit if their previous payment record indicates three or more delinquencies in the past 12 months.
- 5. Active consumers, without deposits, disconnected for non-payment may be required to pay a deposit prior to reconnect.
- 6. Interest shall be paid on a

cash deposit. The rate of
Issue Date 06/18/08



Signature of Issuing Officer

Date of Board
Approval 06/18/08

Chief Executive Officer
Title

Effective Date 09/01/08

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

interest shall be calculated annually and adjusted on January 1 of each year. The rate shall be taken from the Federal Reserve Bulletin, Board of Governors of the Federal Reserve System, Washington, D.C., from the page entitled "INTEREST RATE, Money on Capital Markets." The annual rate shall be the average of monthly interest rates in the secondary market for one-year US Treasury Bills for the period October 1, through September 30. Accumulated interest during the year shall be applied to the consumer's account in December of each year or upon return of deposit.

- 7. The Association shall maintain records to show the following for each deposit on hand or hereafter received from consumers:
 - a. The name of each consumer making a deposit.
 - b. The amount of the deposit.
 - c. A record of each transaction concerning each deposit.
- 8. Upon written request, the Association shall allow a consumer to review their records set forth in the previous paragraph I. 7.
- 9. Residential consumers who have a good record and have paid their bills promptly for a period of not less than 12 consecutive months shall have their deposit applied to future electric bills plus all accrued interest.
- 10. Commercial consumers who have a credit history and have paid their bills promptly for a period of not less than **36** consecutive months shall have their deposit applied to future electric bills plus all accrued interest.
- 11. Deposits of consumers who have a record either of being terminated for non-payment or who have previously left owing an unpaid account may be held as long as the consumer is receiving Electric Service.
- 12. Deposits as specified below shall be required from consumers:

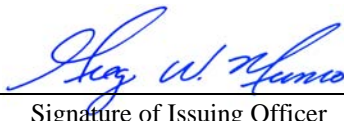
For any Electric Service where there is a history of usage by a previous occupant of the premises to be served, the amount for a deposit equal to three times the average monthly bill over the past 12 months may be used.

If no history has been established the following deposits shall be required.

- a. Residential \$ 150.00
- b. Residential, all electric \$ 400.00
- c. Commercial, small \$ 500.00
- d. Commercial, small, all electric \$1,000.00
- e. Industrial and Large Commercial consumer's deposits shall be three times the estimated monthly billing calculated by the Association.

J. UNPAID MATERIAL – LABOR ACCOUNTS

Unpaid material and/or labor accounts in excess of 90 days delinquent shall be transferred to the consumer's Electric Service account, if any, and if left unpaid will be subject to termination of Electric Service.



 Signature of Issuing Officer

Issue Date 06/18/08

Date of Board

Approval 06/18/08

Chief Executive Officer

Effective Date 09/01/08

Title

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

The Association shall follow the policy on collection-disconnect adopted by the Board of Directors after the transfer of the unpaid accounts.

Finance charge will be charged at 1.75 percent per month (21 percent per annum) on the unpaid balance.

K. COLLECTION-DISCONNECT

Any Electric Service showing an arrears shall be subject to a disconnect notice unless;

1. The account is on budget billing,
2. The account has a current installment agreement as outlined in these Regulations, or
3. The account is the type where payment has to be processed through a voucher system such as Federal, State, County, or City governments.

All Electric Service accounts receiving a "friendly reminder disconnect notice" will not receive a charge for processing the notice.

All Electric Service accounts receiving a "disconnect notice" shall have an amount of \$4.00 or 3.75 percent per month (APR 45 percent per annum) of the past due balance, whichever is greater, added to their bill.

Any account receiving more than two "friendly reminders" in a 12-month period will receive the red "disconnect notice".

Any Electric Service account showing arrears shall be subject to disconnect for non-payment and the Association shall mail to the consumer a disconnect notice showing the amount in arrears allowing the consumer 10 days to make payment. The Association shall attempt to contact the consumer no less than two times before disconnecting the service for non-payment.

Should the consumer contact the Association to make arrangements to pay the arrears, the Association will review/consider the following before making any payment arrangements:

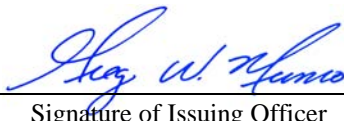
1. Review the account for unusual circumstances for the disconnect notice.
2. Review the account for prior habitual disconnect notices.
3. Review records for prior arrangements on previous disconnects.
4. Consider consumer reasons for requesting arrangements.

In making arrangements, the extension, if allowed, shall not exceed 5days from the disconnect date shown on the disconnect notice.

Should a residential consumer request to make installments on the arrears portion of the bill, the consumer shall be allowed to make a maximum of 6 monthly installments at the rate of 1 percent per month (12 percent per annum) and must sign an agreement stating conditions of the agreement shall be allowed on

Date of Board

Approval 06/18/08



 Signature of Issuing Officer

Issue Date 06/18/08

Chief Executive Officer

Title

Effective Date 09/01/08

ELECTRIC SERVICE REGULATIONS

Rules, Regulations, or Extension Policy

commercial accounts.

Upon retirement of capital credits, a 1.75 percent per month (21 percent per annum) finance charge will be added to all unpaid Electric Service accounts prior to determining the final cash retirement.

Should the consumer pay a disconnect notice by check, which is returned to the Association by the bank unpaid, attempt will be made to contact the consumer allowing them 24 hours to pay said insufficient fund check at an Association office. If not paid during the 24-hour period, Electric Service will be terminated.

Should the disconnect notice remain unpaid after the 10 day notice period the Association shall:

1. Dispatch a meter reader-collector to collect the amount past due plus applicable service charges or terminate the service.
2. If the Electric Service is terminated, a note shall be left on the door indicating the total charges to have the Electric Service reconnected.
3. If the consumer pays the meter reader-collector by check, the consumer shall be informed that should the check be returned by the bank for insufficient funds, Electric Service will be terminated without further notice.

Should a consumer provide a medical statement from a Colorado licensed medical doctor stating that the discontinuance of Electric Service would be especially dangerous to the health and safety of a resident of the residential service, there will not be a termination of service for 60 days from the date of the medical certificate. A 30 day extension may be possible upon a second certificate.

Low-Income Energy Assistance Program (LEAP) consumers may apply for emergency benefits from Human Services. Upon receipt of notification from Human Services, the amount stated by Human Services shall be considered as applied to the account, thereby eliminating the arrears on the account, if paid in full.

A master meter serving multi-unit residences shall not be disconnected until all residences have been given five days notice prior to disconnect date.

No residential Electric Service will be terminated after 12 noon on Friday or after 12 noon the day preceding a holiday observed by the Association.

In the event of meter tampering, energy diversion, or unsafe conditions, Electric Service will be terminated at once with a note of explanation as to why service was disconnected and the costs and procedure to have service restored. The consumer has the right to appeal this decision by contacting the Chief Executive Officer. If the problem is not then resolved, the Chief Executive Officer will immediately forward the appeal to the Executive Committee of the Board of Directors.



Signature of Issuing Officer

Issue Date 06/18/08

Date of Board

Approval 06/18/08

Chief Executive Officer

Title

Effective Date 09/01/08