

RULES AND REGULATIONS

KANKAKEE VALLEY RURAL
ELECTRIC MEMBERSHIP CORPORATION
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RULES AND REGULATIONS

I. APPLICATION OF RULES AND REGULATIONS

These Rules and Regulations apply to each and every Member or applicant for membership.

The Rules and Regulations may be revised, amended, supplemented or otherwise changed from time to time by action of the Board of Directors.

II. APPLICATION FOR SERVICE

1. Application for Service.

Each prospective Member will be required to make an application for each service and agree to abide by the Rules and Regulations and By-laws of the Cooperative.

2. Place of Application.

Application must be made at the office of the Cooperative, on-line or to a duly authorized agent or employee and all applicable fees and deposits shall accompany such application.

3. Application Data.

The application shall contain a description of the premises to be served, whether applicant is owner, agent or tenant of the premises, and such other information as the Cooperative may reasonably require.

4. Right to Reject.

The Cooperative reserves the right to reject any application for service not available under its rate schedules, or which involves excessive cost, or which might affect the supply of service to others.

5. Acceptance.

Service shall be provided upon acceptance of the application by the Cooperative.

III. CLASSIFICATION OF SERVICE

Service shall be classified for the purpose of determining the applicable rate schedule in accordance with the nature of the Members' establishment and the nature of the service installed.

IV. MEMBERS WIRING AND EQUIPMENT

1. **Members wiring and equipment** shall be installed in accordance with the requirements of the Cooperative and the National Electric Code and be subject to approval by the Cooperative and/or other agencies having jurisdiction.

The Cooperative may refuse to make connections to Members' wiring and equipment or to discontinue service thereto whenever in its judgment such installation is unsafe or not in accordance with accepted code requirements.

Any change in or addition to the wiring or repairs involving a change may also be subject to approval by the Cooperative and/or other agencies having jurisdiction.

2. **Motor Starting Requirements.**

All power installations on the Cooperative's lines must conform to the rules and regulations as set forth in the National Electric Safety Code, and such other codes as may be applicable.

The following general requirements should be adhered to in all power installations:

- (a) All motors shall be equipped with adequate over current protection.
- (b) All motors, single-phase, 1 H.P. and larger shall be provided with adequate line starting equipment.
- (c) All three-phase motors from 1. H.P. to and including 7 ½ H.P. shall be provided with adequate line starting equipment.
- (d) All motors above 5 H.P. single-phase and above 7 ½ H.P. three-phase shall be provided with an adequate current limiting starting device. A starting device which will automatically return to a starting position on interruption of service, and which will limit the starting current to 11 amperes per H.P. will be acceptable.

3. **Point of Delivery.**

The Point of delivery is the demarcation point at which the responsibility for service and maintenance changes from Cooperative to Member. The applicant shall communicate with the Cooperative, giving exact location of the premises and the details of all current consuming devices which are to be installed, upon receipt of such information the Cooperative will designate a point of delivery at which point service connections will terminate and near which the Member must provide, free of expense to the Cooperative, a suitable place, satisfactory to the Cooperative, for the transformer or transformers, meter or meters or other equipment of the Cooperative, which may be necessary for the fulfillment of such contracts as the Member may enter into with the Cooperative. The maintenance and repair of such equipment shall be the responsibility of the Member. Any damages resulting from an act of God shall not be the responsibility of the Cooperative.

4. **Service Extensions.**

- (a) For those service extensions where the estimated costs exceed one-half of the cooperatives average net investment/estimated thirty-six (36) months net revenue, the Member must pay the difference.
- (b) If in the opinion of the Cooperative, (a)the estimated cost of such an extension and the prospective revenue to be received from it is so meager as to make it

doubtful whether the net revenue from the extension would ever pay a fair return on the investment involved in such extension, or (b) in a case of real estate development, with slight or no immediate demand for service, or (c) in the case of an installation requiring extensive equipment with slight or irregular service; then in any of the above cases the Cooperative shall submit the same to the Board of Directors for investigation and determination as to public convenience and necessity of such extension, and if so required the conditions under which it shall be made.

- (c) For each Residential/General Service customer, exclusive of the initial Residential/General Service applicants considered in the making of an extension, connected to such an extension within the period of six (6) years from the completion of such extension, the Cooperative shall refund to such initial applicants, in proportion to their respective contributions toward the cost of such extension, an amount equal to one-half of the cooperatives average net investment for that class of new customer, less the cost to service such new customer, but the total of all refunds to any such applicant shall in no event exceed the aforesaid contribution of such application.
- (d) Residential Customers. Upon application by a member who would qualify for the residential power rate, the cost of a new line extension would be based on the actual cost of the extension with a credit calculated based on one-half of the cooperative's average net investment necessary to serve residential customers. This information is generally available to the customer upon request at the headquarters.
- (e) General Service Customers. Upon application by a member who would qualify for the General Service rate, the cost of a new line extension would be based on the actual cost of the extension with a credit calculated based on one-half of the cooperative's average net investment necessary to serve the General Service customer. This information is generally available to the customer upon request at the headquarters.
- (f) All other class of Customers. Upon the execution of a contract for a line extension by a member who receives a rate that is not discussed in section D. or E. above, the cost of a new line extension would be based on the actual cost of the extension with a credit calculated based on the estimate of thirty six (36) months of net revenue derived by the cooperative from the new extension. After the service has been activated for thirty six (36) months, the actual net revenue will be substituted for any amount previously paid based on estimated revenue; any additional amount due will be paid by the customer or any credit due will be refunded to the customer by the cooperative.
- (g) Variations of this rule when approved by the Board of Directors may take precedence over the above-mentioned cost application.

5. Modifications at Member's Expense.

If a Member requests for his convenience, or by his actions requires, that Cooperative facilities be re-designed, re-engineered, relocated, removed, modified or re-installed, the Cooperative may require the Member to make payment of the full costs of performing such service.

6. Obligation to Extend.

The Cooperative's obligation to extend its facilities to a new point of delivery is limited to the assumption of new investment that may be warranted by the amount of revenue to be anticipated from the sale of energy at the new point.

7. Special Extensions.

Where the prospective sale of energy does not warrant the expenditure required to serve it, the Cooperative will determine, in accordance with its established practice from the circumstances of each case, what guarantees of revenue, or what financing, shall be required of the applicant.

8. Non-Standard Service.

Members shall own, maintain, and operate all substation and transforming equipment where voltage, phase, or frequency is desired other than at which service is rendered and metered under the terms of the applicable rate schedule.

9. Service Connection.

Service connections will not be made until the wiring of the premises is actually in progress or has been completed in accordance with the Cooperative's standard requirements. The Cooperative is not responsible for any defect in the Member's wiring or devices.

10. Limit of Responsibility.

The Cooperative will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines, equipment or apparatus, unless specifically provided for in schedules or agreements, except meters and meter accessories, beyond the point of delivery. The definition of meters and meter accessories does not include meter bases. The Cooperative shall provide standard meter bases but they shall be installed and maintained by the Member at the Member's expense.

V. MEMBER'S RESPONSIBILITY

1. Member's Liability.

The Cooperative's responsibility extends only to the supplying of service at the point of delivery. The Member assumes full responsibility for the electric current upon premises at and from the point of delivery thereof, and for the wires, apparatus, devices and appurtenances thereon used in connection with the service. The Member shall indemnify, save harmless and defend the Cooperative against all claims, demands, cost or expense for loss, damage or injury to persons or property in any manner directly or indirectly arising from, connected with, or growing out of the transmission or use of electric current by the Member at or on the Member's side of point of delivery.

2. Changes in the Member's Wiring and Equipment.

All equipment supplied by the Cooperative for the use of each Member has a definite capacity and for this reason, it shall be the responsibility of the Member to notify the Cooperative in writing before any change is made in the total connected load, load characteristics, purpose or location of his installation. Failure to give such notice shall render the Member liable for any damage to meter or accessories, transformers, or wires, of the Cooperative, caused by the additional or changed installation.

3. Protection by Member.

The Member shall protect the equipment of the Cooperative on his premises and shall not interfere with or alter or permit interference with or alteration of Cooperative's meters or other property except by duly authorized representatives of the Cooperative.

In the event of any loss or damage to the property of the Cooperative due to or caused by, or arising from, carelessness, negligence, or misuse by Member or Member's agent, the cost of the necessary replacement and repairs shall be paid for by the Member.

4. Relocation of Cooperative's Facilities.

Members requesting a change of location of any of the Cooperative's property such as poles, anchors, etc., will be required to pay all cost incident to such relocation.

5. Tampering.

If the meters or other property belonging to the Cooperative are tampered with or interfered with, the Member being supplied through such equipment shall pay the amount which the Cooperative may estimate is due for service rendered but not registered on the Cooperative's meter, and for such replacements and repairs as are necessary, as well as for the costs of inspection, investigation and protective installations. The Cooperative shall have all other remedies available under state law.

VI. ACCESS TO PREMISES

Duly authorized representatives of the Cooperative shall have the right of ingress to and egress from the premises of Member at all reasonable times for the purpose of reading, testing, inspecting, repairing, replacing, or removing its meters or other property, or inspecting and/or testing the Member's installation or for the purpose of removing its property on the termination of service or on discontinuance of service from whatever cause. In cases where it is necessary and cost effective, the Cooperative may use, without payment to the Member, the Member's premises for accessing neighboring property serviced by the Cooperative.

1. Member's Responsibility.

The Member shall provide and maintain, on private property, all roads, dikes, ditch-banks, etc., required for the purpose of the Cooperative's construction, maintenance and meter reading equipment.

The Cooperative shall require those roads, dikes, ditch-banks, etc., be maintained in such a manner that the Cooperative's vehicle may travel safely thereon.

2. Right-of-Way Maintenance.

The Member hereby grants to the Cooperative and the Cooperative will maintain right-of-way according to its specifications with the right to cut, trim, and control the growth by chemical means or otherwise of trees and shrubbery located within the right-of-way or that may interfere with or threaten to endanger the operation or maintenance of the Cooperative's line or system.

When trimming right-of-way, the Cooperative will remove debris at its expense from "clean and maintained" areas; that is, an area which is regularly maintained free of logs and brush. In other areas, right-of-way debris will be left in the right-of-way

VII. CONTINUITY OF SERVICE

1. Regularity of Supply.

The Cooperative will use reasonable diligence to provide and maintain uninterrupted service; but in case of cessation, deficiency, variation in voltage, or any other failure or reversal of the service, resulting from acts of God, public enemies, accidents, strikes, riots, wars, repairs, orders of Court, or other acts beyond the control of the Cooperative, the Cooperative shall not be liable for damages, direct or consequential, resulting from such service interruption or failure.

2. Notice of Trouble.

The Member should give immediate notice at the office of the Cooperative of any interruptions, or irregularities or unsatisfactory service and of any defects known to the Member.

The Cooperative may at any time it deems necessary, suspend the supply of electrical energy to any Member or Members for the purpose of making repairs, changes, or improvements upon any part of its system.

The Cooperative shall make effort to furnish reasonable notice of such suspension of service to Members, where practicable.

3. Relocation of Delivery Point.

If the Cooperative shall be required to place underground any portion of its wires, or service supply lines, or relocate any poles or feeders, the Member shall change the location of their point of delivery at the Member's own expense.

4. Phase Protection.

REMC does not guarantee phase protection on a multi-phase service. It is the Member's responsibility to install phase protection equipment. REMC is not liable for damaged equipment in the event of a loss of phase(s).

VIII. FOREIGN ELECTRICITY

The Cooperative complies with the Public Utility Regulatory Policies Act of 1978 (PURPA), along with rules and regulations promulgated under PURPA as they relate to Qualifying Facilities (QF). Any owner/operator of a QF desiring to connect with and sell electric demand and energy to the Cooperative shall notify the Cooperative. The Cooperative will provide the owner/operator with its current applicable Rate Schedule and Riders.

- (a) Any contracts for the sale of electric demand and energy from a QF could be made between the owner/operator and Wabash Valley Power Association (WVPA). The Cooperative will assist the owner/operator in making initial contact with WVPA.

- (b) Also through a similar prior arrangement with WVPA, all contracts for the sale of electric demand and energy from an Independent Power Producer (IPP) will be made between the owner/operator and WVPA. The Cooperative will assist the owner/operator in making initial contact with WVPA.
- (c) The Member will not use the Cooperative's electric service in parallel with other electric service, nor will other electric service be introduced on the premises of the Member for use in conjunction with or as a supplement to the Cooperative's electric service, without the prior written consent of the Cooperative.
- (d) Where approved, standby and/or supplemental on-site generation is provided by the Member, parallel operation of the Member's generating equipment with the Cooperative's system will not be allowed. The Member will install all protective devices specified in the National Electric Code or the National Electric Safety Code as applicable. A double throw switch must be used to prevent possible injury to the Cooperative's personnel and equipment by making it impossible for power to feed back into the main line from the emergency generator.
- (e) The Member will be liable for all damages to facilities or injuries resulting from standby or supplemental onsite generation. The Member shall indemnify and hold harmless the Cooperative from any and all claims for property damage and personal injury associated with or resulting from the use of standby or supplemental onsite generation.

IX. RESALE OF SERVICE

All purchased electric service on the premises of the Member shall be supplied exclusively by the Cooperative, and the Member shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of, such electric service, or any part thereof, without the consent of the Cooperative.

X. METERS

1. Separate Meter For Each Service.

The Cooperative will normally furnish a single meter at the point of connection to the Member's premises. Any Member desiring service at two or more separately metered points of connection to the Cooperative lines shall be billed separately at each such point and the registrations of such meters shall not be added for billing purposes.

2. Request for Meter Test.

In the event a Member would request that their meter be tested, this request must be made in writing. After the meter is tested and no error is found, the Member cannot request another test for twelve (12) months. However, after twelve (12) months the Member may request in writing a second test. If on the second test no error is found, the Member cannot request another test for thirty-six (36) months unless the Member elects to bear the full costs of the meter tests during that period.

After each test, the Member will receive a written report giving the complete results of the test, and a copy of the test will be on file in the office.

A Member who has a demand meter can make a request to the Cooperative to have an electric demand test on the electric load of the Member. This request must be accompanied by a fee of fifty dollars (\$50.00). If the electric demand is found to be correct or higher than demand fixed by the Cooperative, the Cooperative will keep the fee; but if the electric demand is found to be less than the demand fixed by the Cooperative and greater than four percent (4%), then the fee will be returned to the Member.

XI. BEGINNING AND ENDING SERVICE

Any person or persons starting the use of service without first notifying and enabling the Cooperative to read the meter may be held responsible for any amount due for service supplied to the premises from the time of the last reading of the meter, immediately preceding his occupancy, as shown by the Cooperative's books. Members shall give reasonable notice to terminate their service, until a final meter reading acceptable to the Cooperative is obtained.

Notice of discontinuance of service prior to the expiration of service [a contract-term] will not relieve a Member from any minimum, or guaranteed, payment under any special rate or contract [or] rate.

A Member requesting disconnection of service shall pay a reconnection fee before service is restored to this same Member at the same location.

XII. BILLING

1. Billing Period.

Bills for regular service will be rendered monthly from meter readings taken at the most convenient period of the month, or otherwise computed according to Cooperative's Rate Schedules and Rules and Regulations then in effect, and shall be due on the date determined by the Cooperative.

Bills for special or short term service under the applicable rates, including the cost of connecting and disconnecting, may be rendered at the discretion of the Cooperative, and shall be payable on demand.

2. Partial Monthly Billing.

Unless otherwise provided for when a membership is terminated and a bill is rendered for any period other than between two regular meter reading dates, the Member's bill shall be pro-rated for the period as described below:

- (a) The actual use in Kilowatt hours for the period between meter readings shall be multiplied by 30 and divided by the number of days for which service was rendered.
- (b) The charge for the amount of energy determined from (a) above shall be computed under the applicable rate schedule.

- (c) This charge (b) above shall then be multiplied by the number of days in the period between meter readings and divided by 30 to obtain the total net bill for the amount of energy used by the Member during this period.
- (d) In the event the regular monthly minimum bill of the applicable rate schedule pro-rated on the basis of the number or days service was furnished exceeds the pro-rated energy charge as computed above, then the pro-rated monthly minimum shall apply.

3. Estimated Bills.

The Cooperative will on a monthly basis read the Member's meter and send a bill computed there from. In the event the Cooperative cannot read the meter because of inclement weather or for other unforeseen reasons, a bill will be estimated based on prior months usage.

4. Budget Billing.

Members who are receiving electrical service under the residential rate tariff may elect a plan whereby the monthly bills are averaged over an extended period and then the account is balanced at the end of that period. For more specific information on this arrangement, please contact the office.

5. Payment of Bills.

All Bills for regular service are payable monthly, during business hours at the office of the Cooperative or at such other places as may be designated by the Cooperative.

6. Failure to Receive a Bill.

Failure to receive a bill shall not entitle a Member to any discount or to the remission of any charge for non-payment within the time specified.

7. Penalties.

A utility service bill, which has remained unpaid for a period of more than fifteen (15) days following the mailing of the bill, shall become delinquent and a late payment charge (penalty) may be added in the amount of ten percent (10%) of the first \$20.00 and three percent (3%) of the balance.

8. Adjustment of Bills.

If any service meter after being tested, is found to have a percentage of error greater than three percent (3%) for watt-hour meters and four percent (4%) for demand meters, the bills for service shall be adjusted.

(A) Fast Meters.

When a meter is found to have a positive average error, the Cooperative shall refund or credit the Member's account with the amount of any charges in excess of either (1) an average bill for the KWHs and/or demand units incorrectly metered or (2) separate bills individually adjusted for the percent of error for the period the meter was fast, if such period can be determined, or one (1) year, whichever period is shorter. An average bill shall be calculated on the basis of KWHs and/or demand units registered on the meter over corresponding periods either before or after the period for which the meter is determined to be fast. No part of a minimum service charge shall be refunded.

(B) Stopped or Slow Meters.

When a meter is stopped or has a negative average error (slow meter), the Cooperative may charge the Member for the KWHs and/or demand units incorrectly registered for one-half (1/2) of the period since the last previous test date of the meter or one (1) year, whichever is shorter.

The amount of the charge to the Member shall be estimated on the basis of either (1) an average bill or (2) separate bills individually adjusted for the percent of error. The adjustment may be calculated on corresponding periods either prior or after the period for which the meter is determined to be slow or stopped.

The Cooperative may charge the Member for such amounts except where the utility negligently allows the stopped or slow meter to remain in service.

(C) Other Billing Adjustments.

All other billing errors, including incorrect tariff applications, may be adjusted to the known date of error.

XIII. DISCONNECT OF SERVICE

When a Member receiving electrical service under the residential rate tariff requests disconnection of service, the Member shall notify the office at least three (3) days in advance of the day disconnection is desired. The Member shall remain responsible for all service used and the billings therefore until service is disconnected pursuant to such notification. However, the Cooperative must disconnect service within three (3) working days of the requested disconnection date and the Member shall not be liable for any service rendered after the expiration of three (3) days.

The Cooperative may disconnect service without the Member's request and without prior notice only:

- (a) if a condition dangerous or hazardous to life, physical safety or property exists; or
- (b) upon order by any court or other duly authorized public authority; or
- (c) if fraudulent or unauthorized use of electricity is detected and the Cooperative has reasonable grounds to believe that the affected Member is responsible for such use; or
- (d) if the Cooperative's regulating or measuring equipment has been tampered with and the Cooperative has reasonable grounds to believe that the affected Member is responsible for such tampering.

XIV. DISCONNECT / RECONNECT POLICY

The Cooperative may at its discretion, and if equipment is available, provide a limiting device that limits the amount of electricity that can be used in lieu of total disconnection for those Members that are delinquent with their bill. This limiting device is installed on a temporary basis to allow the Member to resolve with the Cooperative their delinquent status.

- (a) If payment is not received within ten (10) days after the original due date, the service shall be subject to disconnection.
- (b) Payment extensions will be granted up to two (2) days from the scheduled disconnect date. If the promise is not kept, the Member will be subject to full disconnection, limiting devices will not be installed after a Member has broken a promise.
- (c) A Member's service will be limited no more than six (6) times during their entire length of membership with the REMC. After service has been limited six (6) times, all disconnects will be at the discretion of the Cooperative.
- (d) All reconnections for non-pay will be done the following business day, unless circumstances prevent such (i.e. storms) in which case reconnection will occur when circumstances allow. There is a fifty dollar (\$50.00) reconnection charge to be paid in addition to any deposits required. Should a Member request a same day reconnect and it can be done before 3:00 p.m., there will be a reconnection charge of one hundred dollars (\$100.00) to be paid in addition to any deposits. Should a Member request same day reconnection and it can be done, but not completed until after 3:00 p.m., then the reconnection charge will be one hundred-fifty dollars (\$150.00) in addition to any deposits. Under no circumstances will a Member be reconnected unless the request occurs during normal business hours, 7:30 a.m. to 4:00 p.m., Monday thru Friday, excluding holidays.
- (e) A Member who has been disconnected for non-pay of a bill will be required to pay a deposit of no less than two (2) times their average bill.

1. Reconnection of Rental Property:

A property owner/landlord will be required to pay a fifty dollar (\$50.00) reconnection fee in the event a Member living in their property is disconnected for non-payment of their electric bill. This fee is to be paid in full before service will be restored.

XV. DISCONNECTIONS

Electric service to a Member shall not be disconnected for ten (10) days if, prior to the disconnect date specified in the disconnect notice, the Member provides the Cooperative with a medical statement from a licensed physician or public health official which states that disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the Member. The postponement of the disconnection shall be continued for one (1) additional ten (10) day period upon the provision of an additional such medical statement.

The Member may not be disconnected for failure to pay for merchandise or appliances that were purchased from the Cooperative, or upon failure to pay for electric service rendered at a different metering point if such bill has remained unpaid for less than 45 days, or upon failure to pay for services to a previous occupant of the premises to be served, or upon failure to pay for a different form or class of utility service, or if a Member shows cause for their inability to pay the full amount due (financial hardship shall constitute cause) and the Member:

- (a) Pays 50% of the bill; and agrees to pay the remainder of the outstanding bill within three (3) months; and
- (b) agrees to pay all undisputed future bills for service as they become due; and
- (c) has not breached any similar agreement with the Cooperative made pursuant to this rule within the past twelve months.

Provided, however, that the Cooperative may add to the outstanding bill a late payment charge not to exceed the amount set pursuant to Rule XII, paragraph 7. Provided further, that the above terms of agreement shall be put in writing by the Cooperative and signed by the Member and by a representative of the Cooperative.

If a Member or user is unable to pay a bill, which is unusually large due to a prior incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection or functioning of the meter, prior estimates where no actual reading was taken for over two (2) months, stopped or slow meters, or any human or mechanical error of the Cooperative, and the Member:

- (a) pays a reasonable portion of the bill, not to exceed an amount equal to the customer's average bill for the six (6) bills immediately preceding the bill in question;
- (b) agrees to pay the remaining at a reasonable rate; and
- (c) agrees to pay all undisputed future bills for service as they become due;

Provided, however, that the Cooperative may not add to the outstanding bill any late fees. Provided, further, that the above terms of agreement shall be put in writing by the Cooperative and signed by the Member and a representative of the Cooperative.

The Cooperative will not disconnect service unless it is done between the hours of 8:00 a.m. and 3:00 p.m., prevailing local time at the location of the Cooperative's headquarters, unless it is at the Member's request; a hazardous condition exists, an order of the court, fraudulent or unauthorized use is detected or the Cooperative's equipment has been tampered with and the Cooperative has reasonable grounds to believe that the affected Member is responsible for the fraudulent use or tampering with the equipment.

The Cooperative will not disconnect service for non-payment on any day, or beyond twelve noon (12:00 noon) of the day immediately preceding any day on which the Cooperative is not open.

Before service can be disconnected, the Member will receive a written notice that will give the date of the proposed disconnection, which will be seven (7) days after the notice is mailed. The notice will have information regarding the disconnection. When the Cooperative's employee arrives at the premises of the Member for the purpose of disconnection, they will identify themselves and explain the purpose of their presence. The employee will have information in their possession to explain the reasons for disconnection.

A notice will be given to the Member, or left on the premises in the event the Member is not at home, stating that the service has been disconnected. The notice will give the

address and telephone number of the Cooperative where the Member may arrange to have service reconnected.

The Cooperative may charge a reconnect charge that has been approved by the Board of Directors.

Service shall be reconnected as soon as reasonably possible after satisfactory arrangements have been made.

XVI. SECURITY DEPOSITS

1. Requirement of Deposit.

Where an applicant's credit is not established to the satisfaction of the Cooperative, or where the credit of a Member with the Cooperative has been impaired, or where the Cooperative deems it necessary, a deposit, or other guarantee, satisfactory to the Cooperative, may be required as security for the payment of future and final bills, before the Cooperative shall render or continue to render service.

2. New Members.

The Cooperative will access an online credit report to determine the creditworthiness of the Member applicant. A deposit may be required based on the results of the credit report. All deposits and memberships must be paid within 14 days of starting service on a location that has electric on. If the monies are not paid, the first business day following the 14 days, the Member is subject to full disconnection. If the Member indicates they cannot pay the full deposit, the Cooperative shall advise the Member applicant that they may pay $\frac{1}{2}$ of the total deposit and the balance in equal installment payments over a period of no more than eight (8) weeks. Service shall be connected upon receipt by the Cooperative of the first payment.

If the electric service at the residence the new Member is moving into has been disconnected, all membership fee and deposits must be paid up front before restoration of service will be made.

3. Existing Members.

The Cooperative may require an existing Member to make a cash deposit when the Member has been mailed disconnect notices for two (2) consecutive months or any three (3) months within the preceding twelve (12) month period, or when the service has been disconnected pursuant to the rules for non-payment. The Member shall pay $\frac{1}{2}$ the deposit required and have eight (8) weeks to pay the balance.

4. Interest on Deposits.

Deposits held more than twelve (12) months shall earn interest from the date of deposit at a rate of interest as the Board of Directors may prescribe.

5. Deposit Refunds.

A deposit may be refunded at the request of the Member after twelve (12) months. On time payments must have been received for twelve (12) consecutive months.

6. Special Deposits.

Deposits other than those described above will be required by special contract or when, determined by the Cooperative, such deposit is necessary due to the type of service. Such deposit will be based upon the risk of a business enterprise, the reputation and history of the premises, or the credit rating and the financial dependability of the Member.

XVII. UNDERGROUND FACILITIES

The following terms apply to those with underground facilities on their property:

1. The Member shall provide, at no cost to the REMC, a 12-foot clear right(s)-of-way for the electric facilities. The property owner shall make the strip into which the facilities are to be located accessible to the REMC's equipment, remove all obstructions from the strip, grade the strip to within 4 inches of final grade and provide continuing access to the REMC for operation, maintenance or replacement of facilities.
2. The REMC shall not be responsible for damage to or removal of shrubs, trees, flowers, grass or lawn during the installation, removal or maintenance of the underground facilities.
3. When maintenance or replacement of facilities is required, all existing underground wires, pipes, tiles, etc., owned by the property owner shall be dug up and exposed. The REMC will work with the other utilities concerning their facilities, but assumes no liability for damage to property owner's facilities that were not exposed.
4. A minimum of 3-inch conduit shall be provided for the REMC when the facilities cross under a driveway, edge of patio, porch, deck, or sidewalk. This conduit shall extend 2 feet beyond the edge of the aforementioned obstructions. Sweep elbows must be provided as needed.
5. The REMC will back-fill the trench one time. Any leveling or filling after the initial back-fill will be the responsibility of the property owner.
6. The REMC retains the right to refuse underground service where ground conditions prohibit digging.
7. If, at any time, the current or previous Member builds a deck, shed, pool, or any other obstruction over the underground facilities, the REMC shall relocate the facilities to an accessible location. The current Member hereby agrees to pay all expenses for such relocation of facilities.

XVIII. IDLE SERVICES AND LINE RETIREMENT

1. An idle electrical service is a service that is not making any payment to the Cooperative, but continues to receive regular maintenance.
2. Idle lines and services may be removed at the discretion of the Cooperative. REMC will send the most recent Member a notification of possible

retirement for the line/service. The written notice will be deemed to be delivered when deposited in the United States mail, addressed to the most recent Member at their address as it appears on the records of the Cooperative, with postage thereupon prepaid. The notification of possible retirement will provide the recipient a 30 day period from the date of the letter to respond.

3. When the line is removed and a previous Member wants the service rebuilt, they will have to pay the retirement cost and aid to construction cost to rebuild.
3. Should the Cooperative deem the line/service a hazard to the public, the above notification process may not be followed.

XIX. GENERAL

1. Notice to Cooperative.

Whenever these regulations provide that notice be given or sent to the Cooperative, or office of the Cooperative, such notice, delivered or mailed, postage prepaid, shall be deemed sufficient.

2. No Prejudice of Rights.

The failure by the Cooperative to enforce any of the terms of these Rules and Regulations shall not be deemed as a waiver of the Cooperative's right to do so.

3. Billing Changes.

When Members are found to be on an improper rate, as the result of an investigation made at the Member's request or by routine inspection by the Cooperative, the change of billing to the proper rate will apply to the bill for the month during which the change is made.

Any adjustment in charges previously made for services under an improper rate classification shall be determined upon the basis of the Cooperative's or the Member's responsibility for such improper classification.

4. Exceptional Cases.

The usual supply of electric service shall be subject to the provisions of these Rules and Regulations but where special service-supply conditions or problems arise for which provision is not otherwise made, the Cooperative may modify or adapt its supply terms to meet the particular requirements of such cases.

5. Assignment.

These Rules and Regulations shall be binding upon, and oblige, and inure to the benefit of, the successors and assigns, heirs, executors, and administrators, of the parties thereto. However, these Rules and Regulations do not constitute a contract.