

SECTION V - REQUEST FOR SERVICE AND DEPOSITS

1. Contractual relationship between Association and Consumer (which may be termed "Agreement for Purchase of Power for Electric Service" or "Service Contract") shall consist of : (a) application by Consumer and acceptance by Association, and (b) Association's Rate Schedule applicable to electric service rendered and (c) these Service Rules and Regulations and any modifications thereof and additions thereto which may be lawfully made, and (d) use of electric energy and/or Associations distribution facilities.

2. An applicant to become a Consumer-Member shall make application for electric service, or service transfer, personally, by agent or by an elected officer if the applicant is a corporation. Each applicant will furnish sufficient identification to verify their true identity to the satisfaction of the Association. Acceptance by the Association of such application is subject to compliance with applicable provisions of these rules. Applicant will become a consumer on the day his/her facilities are connected to the Association's system. A connection charge consisting of Membership Fee, Consumer Deposit, (unless credit permits waiver of deposit) and Service Charge (see Appendix A), as well as any indebtedness due the Association from the applicant will be required. For residential customers, the Consumer Deposit shall be refunded after 13 months of satisfactory payment history has been established by the Member. The deposit on all other accounts will be retained as long as service is provided. To qualify for the refund, the account history will have to be free of being on the delinquent list, of having returned checks charged back to it and of being charged with unmetered service charges. If a consumer allows their account to consistently be delinquent, on the disconnect list, or in any other manner increases the credit risk associated with the account, the consumer may be charged an amount that will bring their consumer deposit up to the maximum amount listed in Appendix A. The Association may require an inspection of the members electrical system by the appropriate city or county official prior to connection of service if the building has not received electric service within the past 12 months.

3. Extension of service requiring setting of poles and/or installing underground or underwater conductors is contingent upon Association being able to obtain necessary rights of way and/or permits. As a condition of Consumer receiving electric service from Association, Consumer must provide at no cost to Association reasonably necessary right of way across the premises to be served for the electric service facilities of Association necessary to serve such premises.

4. Deposit shall not be applied in payment of current monthly bills, and such deposits shall in no way affect Association's rights arising from non payment of bills as provided for in Association's rules or in application or contracts for electric service. Upon discontinuance of service to a Consumer, Association may apply Consumer's deposit then in its possession, plus interest then due, in settlement of Consumer's account. Any balance due Consumer will be refunded. Deposits shall cease to bear interest upon discontinuance of service for which deposit was made.

5. In lieu of a deposit or as a convenience to the member, the member may elect to pay in advance for their anticipated electric usage. The pre-pay program offered by the Association may require the following: a minimum credit balance for initial setup, a minimum credit balance be maintained to avoid interruption of service as well as a minimum credit balance to be re-connected if service is terminated (see Appendix A for minimum balances, threshold and grace period). Certain billing rates, classes of service and types of services and products offered may not be eligible for this pre-pay program.

6. Interest will be paid at the 12 month Treasury Rate in effect on the first business day of each month to date of discontinuance of service or refunding of deposit, whichever is earlier, but Association shall not be required to pay interest on any deposit where depositor has been a Consumer for a period of less than (12) twelve consecutive months. An assignment of such deposit by a Consumer without written consent of Association will not be recognized by or binding upon Association.

7. For installation of facilities for temporary single phase service requiring only a service drop (from overhead or underground distribution facilities) the charge to consumer shall be as stated in Regulation governing Extension of Electric Distribution Facilities. In all other instances of installation of facilities for temporary service, Association will furnish

Consumer a bill for such installation computed in the following manner: (1) the estimated installed cost of materials and supplies required to furnish the temporary service, plus (2) the estimated installed cost of removing such facilities less (3) the estimated salvage value at the end of the service period of the facilities installed. The Consumer shall pay such net charge prior to the installation of the service facilities, which in no event shall be less than the minimum amount stated in Regulations Governing Extension of Electric Distribution Facilities.

8. (a). Association reserves the right to refuse service to any applicant who is found to be indebted to Association for service previously furnished until satisfactory arrangements have been made for the payment of all such indebtedness. Association may also refuse to furnish service to any applicant desiring to establish service for former consumers of Association who are indebted for previous service, regardless of the listing for such service, until satisfactory arrangements have been made for the payment of such indebtedness.

(b). If electric service is established and it is subsequently determined that either condition in Section V 7(a) exist, Association may suspend or disconnect such service until satisfactory arrangements have been made for the payment of the prior indebtedness.