

LEAVENWORTH-JEFFERSON ELECTRIC COOPERATIVE, INC.

RULES AND REGULATIONS

Adopted October 19, 1993 - Amended May 22, 2007

SECTION 1 - APPLICATION FOR SERVICE AND AGREEMENTS

A. **APPLICATION BY CUSTOMER:** Application for electric service will be made in writing by Customer to Cooperative on the Cooperative's Standard Agreement for Electric Service and Membership form, although the Customer may at the discretion of the Cooperative be connected based on an oral request provided the written agreement is signed within ten days thereafter. This Application becomes an Electric Service Agreement or contract when accepted in writing by the Cooperative, or upon establishment of service. The Cooperative may require a separate Electric Service Agreement for each class of service at the same or at each separate location.

A service connection fee of twenty-five dollars shall be charged for each service connection.

B. **ADDITIONAL PROVISIONS:**

(1) Electric service will be supplied to the Customer under the provisions of the Cooperative's Articles of Incorporation, Bylaws, Customer's Electric Service Agreement, the Cooperative's applicable Rate Schedules, and all Rules and Regulations adopted by the Board of Trustees, as such rules and regulations may be altered or amended by the Board from time to time, and any special Contract or Agreement with the Customer. The taking of electric service by a Customer will constitute acceptance of, and an Agreement to be bound by, all such provisions. Any changes in Articles, Bylaws, Rate Schedules, or Rules and Regulations will act as a modification of the Electric Service Agreement then in existence without further notice to the Customer.

(2) The Customer will furnish upon request sufficient information relative to the size and characteristics of the load; the location of the premises to be served; and information needed to designate the class or classes of electric service to be supplied and the conditions under which it will be supplied.

C. **RATES:** Rates for electric service will be those of the Cooperative currently in effect subject to applicability to the Customers and subject to change. Copies of the Rate Schedules currently in effect may be reviewed by any Customer at the Cooperative's principal place of business where they have been filed of record. Customer's eligibility for service under any particular rate schedule shall be determined solely by the Cooperative based upon the eligibility criteria set forth in the rate schedule. In the event that the Customer is eligible for service under one or more rate schedules, it shall be the sole responsibility of Customer to determine the rate schedule under which the Customer will receive service. In the event that Customer makes no such election, the Cooperative may provide service under the rate schedule which the Cooperative determines to be applicable to the Customer. The Cooperative shall not be liable, and shall be held harmless, from Customer's failure to elect the appropriate rate schedule under which service shall be provided.

D. **TERM OF CONTRACT:** Unless otherwise specified, Electric Service Agreements will be effective on a month by month basis. Service will be continued until canceled by the Customer upon proper notice to the Cooperative or in accordance with applicable Rules & Regulations or Bylaws.

E. **TEMPORARY SERVICE:**

Additional Charge: Temporary service may be supplied in accordance with the applicable Rate Schedule for the type of service to be supplied, except that there will be an additional charge paid in advance before service is established determined as follows:

(1) An amount equal to estimated labor, overhead and expendable material charges for both installation and removal of the temporary service, but in no event less than three (3) hours under the Regular Service Call Fee as filed in the Service Fees Rate Schedule; plus

- (2) A security deposit or deposits, if required and in accordance with these Rules and Regulations.

F. IDLE SERVICE:

- (1) An idle service is defined as non-energized metering or delivery point with no incurring charges.
- (2) A landowner, or someone other than a landowner with the landowner's approval, may retain an idle service.
- (3) A minimum charge which includes appropriate KVA minimums, as defined in the applicable rate at the time of disconnection from an energized service will be billed monthly. Failure to continuously pay the minimum billings shall render the service to be subject to removal.
- (4) Should a member request to reconnect a service that they had disconnected for a period of less than one year, they will be billed the minimum charges as defined above when the service is reconnected.
- (5) Any service idle for a period of two (2) years or longer, is subject to removal at the discretion of the cooperative.
- (6) Should an idle service be removed, any subsequent service rebuild will be subject to the current line extension policies.

G. CHANGE IN OCCUPANCY: When a change of occupancy is to take place on any premises supplied with electric service by the Cooperative, the outgoing Customer will give written or oral notice to the Cooperative's office not less than three (3) business days prior to the date of change. If the connect or disconnect request is oral, a record, should be made of the request. The outgoing Customer will be held responsible for payment of all electric energy recorded by the meter until the requested time of termination. If no such notice is given, the outgoing Customer will be held responsible for electric energy recorded during the time in which the account continues to be in the Customer's name as shown by the records of the Cooperative. The Customer will not by such notice be relieved of any obligations already accrued under the Electric Service Agreement or other contract with the Cooperative.

H. RE-SELLING OR REDISTRIBUTING OF SERVICE: The electric service provided is for the sole use of the Customer and the Customer will not sell, share, or re-deliver electric service to any person, except where specifically provided by applicable Rate Schedule or special contract. Any infraction of this rule will be sufficient cause for discontinuance of service under Section 4 A (1)(h).

SECTION 2 - CREDIT AND SECURITY DEPOSIT REGULATIONS:

A. ESTABLISHMENT AND MAINTENANCE OF CREDIT:

- (1) Credit Information: The Customer may be required to provide reasonable credit information to the Cooperative before service is made available. The Cooperative may request positive identification (identified as photo with name) from Residential Customers. If positive identification is not immediately available, a Customer providing a full deposit should have at least seven days to secure positive identification.
- (2) Security Deposit Required: The Cooperative may, at the time of Application for service, require a security deposit to guarantee payment of bills for electric service rendered if:
 - (a) The Cooperative establishes that the Customer has an unsatisfactory credit rating, or has an insufficient prior credit history upon which a credit rating may be based.
 - (b) The Customer has outstanding, with a utility, an undisputed and unpaid service account which accrued within the last five (5) years if the service agreement was signed, or three (3) years if service was provided after an oral agreement alone.

- (c) The Customer has, in an unauthorized manner, interfered with, or diverted or used (meter bypass), the service of a utility within the last five (5) years.
- (3) The Cooperative may at any time after application for service, upon five (5) days written notice, require a deposit to guarantee payment of bills for utility service rendered if:
 - (a) The Customer has outstanding, with the Cooperative, an undisputed and unpaid service account which accrued within the last five (5) years if the Service Agreement was signed, or three (3) years if service was provided after an oral agreement alone.
 - (b) The Customer has, in an unauthorized manner, interfered with, or diverted or used (meter bypass), the service of the Cooperative within the last five (5) years.
 - (c) The Customer fails to pay an undisputed bill before the delinquency date for three (3) consecutive billing periods.
- (4) No deposit will be required because of a Customer's race, sex, creed, national origin, marital status, age, number of dependents, source of income, or geographical area of residence.
- (5) Guaranty or Surety Bond: In lieu of requiring a security deposit, the Cooperative may accept the written guarantee of a responsible party, who is a current member in good standing, as surety for a Customer's Electric Service Agreement. The Cooperative may require the Guarantor to sign an agreement allowing the Cooperative to transfer the Customer's debt to the Guarantor's account. In the event the Customer's debt is transferred to the Guarantor's account, the Guarantor will have the same time to pay the deposit as a new Customer and can be disconnected for nonpayment under conditions set out in Section 4. . The Cooperative will not hold any Guarantor liable for sums in excess of the maximum amount of the required cash security deposit. The Guarantor of a Residential Customer will be released upon a consecutive twelve (12)_month non-delinquent payment of all undisputed proper charges for electric service as outlined in Section 2 D or upon termination of service and payment of service bills.

B. CALCULATION AND PAYMENT OF SECURITY DEPOSIT OR SURETY BOND:

- (1) The amount of the cash security deposit or surety bond required will not exceed the larger amount of that Customer's projected average of two (2) months bills, or an amount established by the board of trustees. If the Customer has been documented to be diverting service (meter bypass), an additional deposit based on one months' average use may be assessed.
- (2) All deposits must be paid in full prior to an account being transferred to a new member or a satisfactory arrangement has been established in which deposits are paid in full by the first billing date.
- (3) For purposes of establishing security deposits and projecting monthly bills, the Cooperative may consider the length of time the Customer can reasonably be expected to take service, past consumption patterns, end use of service, and consumption patterns of other similar Customers. The amount of the cash security deposit or surety bond may be adjusted if the character or volume of the Customer's service should change.
- (4) Security deposits will be non-transferable from one Customer to another; however, upon termination of the Customer's service at the service address, the Cooperative may transfer the security deposit to the Customer's new active account. Disconnection for non-payment of security deposit will be governed by Section 4 A (1)(e) of these Rules and Regulations.
- (5) For purposes of this section, rate classes will be determined by applicable rates as determined by the Board of Trustees.

C. SECURITY DEPOSIT RECEIPTS:

- (1) The Cooperative will maintain a record of all security deposits received from Customers showing the name of each Customer, the address of the premises for which the security deposit is maintained, the date and the amount of deposit, and the date and amount of interest paid.
- (2) When the Cooperative accepts a security deposit, a nonassignable receipt may be issued to the Customer containing the following minimum information:
 - (a) Name of Customer;
 - (b) Place of deposit;
 - (c) Date of deposit;

- (d) Amount of deposit;
- (e) Cooperative name and address and signature of the Cooperative employee receiving the deposit;

D. REFUND OF SECURITY DEPOSIT:

(1) Upon termination of service, if the security deposit is not to be transferred to the Customer's new account, the Customer's deposit will be refunded less any unpaid service bills including simple interest at a rate not less than that provided by K.S.A. 12-822 and amendments thereto; provided that, Customer has paid all bills due the Cooperative; has allowed the Cooperative to remove its meters and equipment in an undamaged condition; and surrendered the Security Deposit Receipt. In case the Customer has lost Security Deposit Receipt, the Cooperative may require the Customer to sign a Release Form acknowledging the return of the security deposit with interest thereon. The Cooperative may require the identification of the person surrendering the Security Deposit Receipt.

(2) Security deposits taken from Residential Customers who make non-delinquent payments of undisputed bills for electric service for twelve (12) consecutive months, will be credited with simple interest as provided above to their utility bills, or if requested, refunded. Non-residential deposits under \$500 will be returned after 36 months of on-time consecutive payments. Non-residential deposits of \$500 or more may be retained until termination of service. A deposit need not be returned until all undisputed amounts are paid.

(3) Interest payments on residential or non-residential deposits will be credited to the Customer's bill at least once a year or when deposits are refunded.

E. SECURITY DEPOSIT NOT A WAIVER: The fact that a security deposit or guarantee has been made will in no way relieve the Customer from complying with the Cooperative's Rules and Regulations pertaining to payment of bills, nor will it constitute a waiver or modification of the regular practices of the Cooperative providing for disconnection of service for non-payment of sums due the Cooperative for service rendered.

SECTION 3 - BILL PAYMENT

A. PAYMENT OF BILLS: All bills for electric service are due and payable upon receipt. Normally, bills will be sent by mail; however, the non-receipt of a bill by a Customer will not release or diminish the obligation of the Customer with respect to the full payment thereof, including penalties and interest.

B. CONTENTS OF BILL:

(1) The Cooperative will normally bill each Customer each billing period in accordance with its applicable Rate Schedules. Billings may be issued on a monthly, or other basis at the sole discretion of the Board of Trustees. Each service bill issued to a Customer will show:

- (a) The beginning and ending meter registration for the reading period, except that estimated billings will disclose that it is based on estimated usage;
- (b) The date of the bill and if available, the date of the meter reading;
- (c) The final date by which a payment can be received before a delinquency charge is imposed;
- (d) The actual or estimated usage during the billing period;
- (e) The amount due for prompt payment and the amount due after delinquency in payment;
- (f) The fuel, power or energy cost adjustment in cents per kilowatt hour (¢/kWh) and the total amount of the adjustment due, if applicable.
- (g) The amount of additional charges due for past due accounts, security deposits, collection, connection or disconnection, installment payments, and other utility charges authorized by the Board of Trustees;

- (h) The total amount due for the current billing period;
- (i) The amount due for franchise and sales taxes and research and development surcharges stated separately; and
- (j) The address and telephone number of the Cooperative where a Customer may report a disputed bill, make an inquiry concerning a bill, delinquency or termination of service, or otherwise express a concern.

(2) The Cooperative may include on the bill for utility services other charges for special services designated clearly and separately from charges for utility service. Special charges are those not authorized by tariff, such as the sale of merchandise, insulation or services performed in connection therewith. If the Customer makes a partial payment for the total bill, the Cooperative will credit payment to oldest (aged) account balances first.

(3) If the Customer is paying in advance, each bill will also clearly disclose the overage or underage of the amounts paid to date as compared to the cumulative actual usage, in dollars, to date.

(4) The Customer's bill will also show any adjustment to previous billings based on estimated usage or Customer meter readings after actual usage has been determined from a meter reading by the Cooperative. The adjustment will be calculated for a period between the last valid meter reading and the most recent meter reading by the Cooperative.

C. METER READING PERIODS: Unless otherwise provided in the Rate Schedules, meters will be read at intervals approximating the billing period.

D. ESTIMATED USAGE:

(1) The Cooperative may render a bill, other than a final bill when service is discontinued or an initial bill, based on estimated usage pursuant to estimating procedures approved by the Board of Trustees if the bill is rendered when the cooperative is unable to obtain an actual meter reading for whatever reason.

(2) The Cooperative may render a bill based on estimated usage as a Customer's final or initial bill pursuant to estimating procedures when an actual meter reading cannot be taken because of a broken meter or other equipment failure.

(3) The Cooperative may render a bill based on estimated usage when the Customer is paying in advance for usage where payments are based upon an estimated or projected average usage.

(4) When the Cooperative renders an estimated bill in accordance with this Section it will:

- (a) Maintain accurate records of the reasons therefore and efforts made to secure an actual reading;
- (b) Clearly disclose on the bill that it is based on estimated usage; and
- (c) Make any appropriate adjustment upon subsequent reading of the meter.

(5) All adjusted bills and bills covering more than a one month period will be based on increasing the length of the rate blocks according to the number of months involved, i.e., the rate blocks will be doubled for a two month reading, tripled for a three month reading, etc. Adjustments will not be prorated for less than a one-month period. Adjusted bills will show the credit due the Customer for amounts paid that were based on the Customer's readings or the Cooperative's estimate and will show the balance due and payable.

(6) Fuel, power, or energy cost adjustments covering more than a one-month period will be based on the most recent adjustment clause currently in effect.

E. CASH PAYMENT: The Cooperative may require that the Customer make payment of bills by cash, certified checks, or money orders.

F. RETURNED CHECK CHARGE: The Cooperative may require a Returned Check Charge, as filed in the Service Fees Rate Schedule, from the Customer for Customer checks returned for insufficient funds or any other reason.

G. TAX ADJUSTMENT:

(1) Special Taxes: When any city, county, state, or other taxing sub-division imposes a franchise, occupation, business sales, license, excise, privilege, or similar tax of any kind on the Cooperative, the amounts thereof insofar as practical, will be charged on a prorata basis to all Customers receiving electric service from the Cooperative within the boundaries of such taxing sub-division. This tax charge, in all cases, will be in addition to the regular charges for electric service.

(2) Gross Receipts Tax: Where a tax is levied on a percentage of gross receipts, that percentage will be applied to each affected Customer's bill, and the amounts so computed will be added to each Customer's regular billing until such Customer's proportionate share of the total tax is paid. The prorata tax applicable to each Customer will be identified on the Customer's billing as such.

H. RESIDENTIAL BUDGET PAYMENT PLAN:

(1) Availability: The Budget Payment Plan is, by mutual agreement between the Customer and the Cooperative, available to any qualifying Town, Village or Rural Residential Customer.

(2) Estimated Bills: At the request of any qualifying Customer, the Cooperative will submit an estimated bill based on the average of the bills rendered for the current month and the preceding eleven months or an estimated bill for electric service to be rendered during the contract period, which divided by the number of months in such contract period, will be the monthly installment.

(3) Conditions of Budget Payment Plan: The Customer will be entitled to receive electric service under the Budget Payment Plan provided Customer will agree:

- (a) To pay each monthly installment on or before the due date thereof;
- (b) To pay the late payment charge provided in these Rules and Regulations if a bill becomes delinquent;
- (c) That failure to pay any monthly installment on or before the delinquent date will be cause for termination by the Cooperative of the Budget Payment Plan with respect to Customer, in addition to other remedies permitted by these Rules and Regulations;
- (d) That the estimate will apply only to the premises then occupied by Customer and that if such premises are vacated during the period covered by said estimate, the Budget Payment Plan with respect to Customer will immediately terminate;
- (e) That if the Budget Payment Plan is terminated, any amount or amounts payable by or due to Customer on account of the metered service during the period covered by the plan will be billed or credited to Customer at once;
- (f) That until terminated by either party, the Budget Payment Plan will be renewed automatically;
- (g) That the Budget Payment Plan may be periodically reviewed by the Cooperative and the monthly installment payment will be revised if it appears at any time on review that the debit or credit balance at the end of the contract period will substantially exceed the estimate; and
- (h) That the difference between the accumulated total amount of the Customer's billings determined by metered usage, and the accumulated total of the amounts paid before the final month of the contract period will be charged or credited, as the case may be, to the service bill for the final month of such contract period which will be subject to current settlement before the start of the next contract period.

I. DELINQUENT BILLS:

(1) Bills for electric service will be deemed delinquent if payment thereof is not received by the Cooperative or its authorized agent on or before the date stated on the bill.

(2) When a bill becomes delinquent, a monthly late payment charge in an amount equal to one and one half percent (1 ½ %) of the delinquent amount owed for electric service will be added to the Customer's bill and collection efforts by the Cooperative will be initiated. This monthly one and one half percent (1 ½%) charge shall apply to all months and amounts where a delinquent amount exists.

(3) If the last calendar day for remittance falls on a day when the Cooperative's office is not open to the general public, the final payment date will be extended through the next business day.

J. **DEFAULT:**

Failure of the Customer to conform to these Rules and Regulations or to pay any amount due the Cooperative under the Customer's Electric Service Agreement in the full amount due before becoming delinquent will constitute a default by the Customer in his or her Electric Service Agreement.

SECTION 4 - DISCONTINUANCE OF SERVICE

A. **COOPERATIVE'S REFUSAL OR DISCONTINUANCE OF SERVICE:**

- (1) For the following reasons electric service may be refused or discontinued by the Cooperative:
 - (a) When requested by the Customer;
 - (b) When the service is abandoned;
 - (c) When Customer's bill for electric service or other charges becomes delinquent, as provided in Section 3 K, whether the bill is based on Customer's meter reading, Cooperative's meter reading, or Cooperative's estimate of consumption;
 - (d) Immediately, when an unsafe or dangerous condition exists on the Customer's premises;
 - (e) When the Customer fails to provide credit information, security deposit or guarantee as set forth in Section 2 A, or has a previous undisputed and unpaid separate account for electric service with the Cooperative;
 - (f) Immediately when Customer is proved to have misrepresented his or her identity for the purpose of obtaining electric service;
 - (g) When Customer refuses to grant Cooperative personnel access, during normal working hours, to equipment installed upon the premises of the Customer for the purpose of inspection, meter reading, maintenance or replacement;
 - (h) Immediately, when the Customer violates any rule of the Cooperative that adversely affects the safety of the Customer or other persons, or the integrity of the Cooperative's delivery system; or
 - (i) Immediately, when Customer causes or permits unauthorized interference with, or diversion or use of (meter bypass), Cooperative's service situated on or about the Customer's premises.
 - (j) Immediately, upon the Cooperative being notified that the customer's check is being returned by the bank due to insufficient funds, closed account, or any other reason beyond the Cooperatives control, that was received for payment on a service that was discontinued or terminated as delinquent.
 - (k) When an individual or a Customer has an outstanding debt with the Cooperative.
 - (l) Immediately, upon the Cooperative being notified that the customer's check is being returned by the bank due to insufficient funds, closed accounts, or any other reason beyond the Cooperatives control, that was received for payment of an Aid-In-Construction amount or a deposit amount.
- (2) None of the following reasons will constitute sufficient cause for the Cooperative to threaten or discontinue electric service or threaten or refuse service:
 - (a) The Customer's failure to pay for service received at a concurrent and separate metering point, residence or location if there exists a legitimate, good faith dispute as to the validity of such bill. In the event of discontinuance or termination of service at a separate metering point, residence or location in accordance with these Rules and Regulations, the Cooperative may transfer any unpaid balance to any other Service Account, provided, however, that in the event of the failure of the Customer to pay a final bill at any metering point, residence, or location, the Cooperative may transfer such unpaid balance to any other Service Account opened by the Customer and may

- discontinue service at such successive metering point, residence, or location for nonpayment of such transferred account;
- (b) The Customer's failure to pay for a different class of service received at the same location if there exists a legitimate, good faith dispute as to the validity of such bill. The placing of more than one meter at the same location for the purpose of billing the usage of specific devices under optional Rate Schedules or provisions is not construed as a different class of service for the purpose of this rule;
 - (c) The Customer's failure to pay a bill which is in dispute; provided, however, that the Customer pays that portion of the bill not in dispute;
 - (d) Because an individual who neither signed the Service Agreement on an account in arrears, nor agreed orally at the time service was established to be responsible for it, wants to put the account in his or her name. The only exception to this is when the individual and the Customer of record lived together when the debt was incurred and continue to live together.
- (3) In the event of discontinuance or termination of electric service at a separate metering point, residence, or location in accordance with these Rules and Regulations, the Cooperative may transfer any unpaid balance to any other electric Service Account.

B. POSTPONEMENT OF DISCONTINUANCE IN SPECIAL CIRCUMSTANCES:

- (1) The Cooperative may, at its discretion, postpone discontinuance of service if the Customer is able to establish that discontinuance of service would be especially dangerous to the health of the Customer, resident member of the Customer's family, or other permanent resident of the premises where service is rendered by obtaining a statement signed by a physician or public health official verifying that fact and forwarding or presenting it to the Cooperative office prior to the date of disconnection.
- (2) If creditworthiness merits, the Cooperative will postpone disconnection for nonpayment upon the signing of an agreement indicating payment arrangements acceptable to the Cooperative. It is the responsibility of the customer to request such a postponement.

C. DISCONNECT PROCEDURE:

- (1) Except for discontinuance pursuant to Section 4 A (1) (a), (b), (d), (h), and (i) the Cooperative will not discontinue service unless:
 - (a) At the time of the proposed discontinuance, for one hour after discontinuance, the Cooperative office or authorized personnel identified in the notice given are open or available to the Customer for the purposes of making pay arrangements, preventing discontinuance or obtaining reconnection; and
 - (b) The Cooperative employee who is to disconnect service is also authorized to accept payment of amounts due for utility charges and thereby either avert disconnection or provide for reconnection.
- (2) The Cooperative employee who is to disconnect service will adhere to the following procedure unless such disconnect is covered by (3) below.
 - (a) Under safe conditions, immediately preceding the discontinuance of service a reasonable effort will be made to:
 - (i) Contact and identify himself or herself to the Customer or responsible person then upon the premises and announce the purpose of his or her presence;
 - (ii) Accept payment of all amounts tendered which are necessary to avert disconnection; and
 - (iii) Record statements concerning the medical condition of any permanent resident of the premises.
 - (b) If contact with the Customer is not made, the employee will leave a notice upon the

premises in a manner conspicuous to the Customer disclosing the date and time of discontinuance and giving the address and telephone number of the Cooperative or where the Customer may arrange to have service restored.

- (3) Disconnect procedure for locations where a remote disconnect device is installed.
 - (a) Immediately preceding the discontinuance of service, a Cooperative employee will make a reasonable effort by phone to:
 - (i) Contact and identify himself or herself to the Customer or responsible person then upon the premises and announce the purpose of his or her phone call;
 - (ii) Accept payment of all amounts tendered which are necessary to avert disconnection; and
 - (iii) Record statements concerning the medical condition of any permanent resident of the premises.
 - (b) If contact with the Customer is not made, the employee, if possible, will leave a message on the Customer's answering machine disclosing the date and time of discontinuance, and giving the address and telephone number of the Cooperative or where the Customer may arrange to have service restored.

D. RESTORATION OF SERVICE:

- (1) The Cooperative will restore service when the cause of discontinuance of service has been eliminated, all applicable restoration fees, including but limited to, usage charges up to the removed meter reading, and, if required, satisfactory credit arrangements have been made.
- (2) Under normal circumstances, no restoration of service will take place during non-business days or non-business hours.

E. REVIEW OF DISPUTES:

- (1) When a Customer advises the Cooperative, prior to the date of the proposed discontinuance of service, that all or any part of the billing as rendered is in dispute or that the Cooperative's reasons for discontinuance are factually invalid, the Cooperative will:
 - (a) Immediately record the date, time, and place the complaint is made;
 - (b) Postpone discontinuance until a full investigation is completed and the dispute is found to be invalid;
 - (c) Investigate the dispute promptly and completely; and
 - (d) Attempt to resolve the dispute informally and in a manner mutually satisfactory to both parties.
- (2) A Customer may advise the Cooperative that a bill is in dispute in any reasonable manner such as by written notice, in person, directed to the appropriate personnel of the Cooperative.
- (3) The Cooperative, in attempting to resolve the dispute in a mutually satisfactory manner, may employ telephone communication, personal meetings, formal or informal hearings, on site visits, or any other technique reasonably conducive to settlement of the dispute.
- (4) In the event that a dispute is not resolved to the satisfaction of the Customer, after full investigation, and the Cooperative intends to proceed with discontinuance, the Cooperative will notify the Customer of the date, place, and time at which a hearing will be conducted by the Cooperative for the purpose of determining whether or not service should be disconnected pursuant to these rules and regulations. The general manager, acting as the hearing officer, shall review the evidence as set forth by the Customer. The hearing officer's decision will be announced at the meeting or mailed to the parties at a later date. Should the Customer disagree with the hearing officer's ruling, the Customer may request a meeting with the Board of Trustees. This meeting shall be in accordance with current board policies dealing with Member Attendance at Board Meetings. The Board of Trustees' decision will be announced at the meeting or mailed to the parties at a later date.

F. COLLECTION, DISCONNECTION, AND RECONNECTION CHARGES:

(1) If collection of an electric service bill is made at the Customer's premises or by use of a remote disconnect device the Cooperative will require a Collection Charge as filed in the Service Fee Rate Schedule.

(2) Except when requested by the Customer, if electric service is disconnected for any of the reasons stated in Section 4 A (1) the Cooperative will require a Disconnection Charge as filed in the Service Fees Rate Schedule.

(3) Upon reconnection of electric service, except when disconnected pursuant to Customer's request, the Cooperative will require a Reconnection Charge as filed in the Service Fees Rate Schedule.

(4) Unless otherwise specified in the Electric Service Agreement, in the event a Customer orders a disconnection and a reconnection of service at the same premises within one (1) year of disconnection, the Cooperative will collect, as a Reconnection Charge, the sum of such minimum bills as would have occurred during the period of disconnection, but in no event less than the Reconnection Charge filed in the Service Fees Rate Schedule.

(5) Any Collection, Disconnection, or Reconnection Charges and all other utility charges due will be paid before service is restored. These charges are in addition to any deposit which may be required by the Cooperative before service is restored.

SECTION 5 - CUSTOMER'S SERVICE OBLIGATIONS

A. **CUSTOMER TO FURNISH RIGHT-OF-WAY.** The Customer will provide or procure for the Cooperative at his expense such rights-of-way (including permission to trim or remove any trees that may interfere with the operation of the Cooperative's facilities) as are satisfactory to the Cooperative, across property owned or otherwise controlled by the Customer, for the construction, operation, and maintenance by the Cooperative of its facilities necessary or incidental to the supplying of such electric service.

B. **ACCESS TO CUSTOMER'S PREMISES.** The Customer shall give the duly authorized agents and employees of the Cooperative full and free access to the premises of the Customer for the purpose of constructing, installing, inspecting, adjusting, repairing, maintaining, replacing, or removing any of the Cooperative's facilities on the premises of the Customer, reading meters, or for any purpose incidental to the electric service supplied by the Cooperative.

C. **CUSTOMER'S INSTALLATION.**

(1) Service entrances, switch boxes, service cabinets, switches, fuse blocks, conduit, wiring, connections and other equipment, and the installation thereof for the reception, use, and control of electric energy by the Customer shall be of the type approved by the Cooperative and shall meet the requirements of the National Electric Safety Code and comply with all state and local codes insofar as they apply.

(2) Any and all wiring, appliances, or equipment required to transform, control, regulate, or utilize beyond the point of delivery the electric service supplied by the Cooperative which are furnished, installed, and maintained by the Customer shall be the sole responsibility of the Customer.

(3) The Customer agrees to repair and replace when necessary, all wires and appurtenances furnished by the Customer for reception and use of electric service in a safe condition and in compliance with the National Electrical Safety Code and all state and municipal codes insofar as they apply.

D. **PROTECTION OF CUSTOMER'S EQUIPMENT.**

(1) The Customer shall be responsible for determining whether the Customer's installation and all portions thereof, are and will be suitable for operation at the voltage, phase, and other characteristics of the class of service to be supplied by the Cooperative.

(2) The protection of the Customer's equipment is the full responsibility of the Customer. Any Customer desiring protection against interruptions, phase failure, phase reversal, voltage variations, or other temporary irregularities or failure of part or all of the electric service shall, at his own expense, furnish on such Customer's installation such protective equipment.

E. DANGEROUS OR DISTURBING USES. The Customer shall use the electric service supplied by the Cooperative with due regard to the effect of such use on the Cooperative's electric service to its other Customers and on the facilities and equipment of the Cooperative. The Cooperative may refuse to supply electric service or may suspend electric service to a Customer, immediately, without notice under Section 4.A.(1), if the Customer's installation is in an unsafe or dangerous condition or is so designed or operated as to disturb or adversely affect the safety of the Customer or other persons, or the integrity of the Cooperative's delivery system.

F. INSPECTIONS AND RECOMMENDATIONS. The responsibility of the Customer regarding his use of the electric service supplied by the Cooperative is not set aside, and the Cooperative shall in no way be liable or responsible, on account of any inspections or recommendations by the Cooperative which are made as a courtesy to the Customer or as a protection to the electric service supplied by the Cooperative to its other Customers. The Cooperative reserves the right, but assumes no duty, to inspect the Customer's installation and facilities for suspected unsafe conditions.

G. DEFECTIVE CUSTOMER EQUIPMENT. Defective appliances or fixtures shall be disconnected at once and properly repaired before further use. Defective appliances or fixtures includes those which have been found by tests to be causing interference to radio, television, and like electronic equipment used by others. If electric energy is found to be escaping from any wires or equipment in or about Customer's premises, Customer shall open the service switch immediately to shut off the flow of electric energy and notify Cooperative at once.

H. CONSTRUCTION OR USES AFFECTING COOPERATIVE'S EQUIPMENT.

Customer shall consult with the Cooperative before causing or permitting any construction that will affect any of the Cooperative's service facilities or equipment. Customer shall not, without written consent of the Cooperative, enclose any exposed portion of service facilities, use any of the poles, wires, structures, or other facilities of the Cooperative for fastening thereto, support, or any purpose whatsoever, nor shall Customer locate anything in such proximity to the aforesaid facilities of the Cooperative as to cause, or be likely to cause, interference with the supply of electric service, or a dangerous condition. The Customer shall be required to reimburse the Cooperative for any costs due to a change in the location of meters, service lines, or other equipment made at the request of Customer, or necessitated by the Customer's interference with the Cooperative's facilities. The Cooperative reserves the right to remove, immediately and without notice, any unauthorized attachments to its facilities. The Cooperative's equipment will be removed or relocated only by employees, agents, or authorized representatives of the Cooperative. Any infraction of this rule shall be sufficient cause for discontinuance of service under Section 4 A(1).

I. PROTECTION OF COOPERATIVE'S PROPERTY.

(1) The Customer at all times shall protect the property of the Cooperative on the premises of the Customer and shall permit no person other than the employees and agents of the Cooperative and other persons authorized by law to inspect, work on, open or otherwise handle the wires, meters, or other facilities of the Cooperative. Any infraction of this rule shall be considered sufficient cause for discontinuance of service immediately, without notice under Section 4 A(1).

(2) In case of loss or damage to the property of the Cooperative on account of any carelessness, neglect, tampering, or misuse by the Customer, any members of his family, or his agents, servants, or employees, the Customer shall reimburse the Cooperative for the cost of any necessary repairs or replacements of such facilities or the value of such facilities.

J. TAMPERING OR FRAUDULENT USE OF COOPERATIVE'S FACILITIES.

(1) The Cooperative may discontinue service to a Customer under Section 4.A.(1) and remove its facilities from the Customer's premises, in case evidence is found that any portion of the Cooperative's facilities have been tampered with in such manner that the Customer may have received unmetered service or in the event evidence of fraudulent use of electric service in any manner, including fraudulent meter reading, is discovered.

(2) In such event, the Cooperative may require the Customer to pay all bills, including a bill for such amount of electric service as the Cooperative may estimate, from available information, to have been used but not registered by the Cooperative's meter or otherwise fraudulently used, and to increase the amount of his cash security deposit or surety bond, or other credit arrangement, and pay all damages to Cooperative owned equipment, if any, before electric service is restored. In addition, before service is restored, the Customer shall be required to bear all costs incurred by the Cooperative for such protective equipment as, in the judgment of the Cooperative, may be necessary and give satisfactory assurance that such tampering and fraudulent use of electric service will be discontinued.

(3) The existence of tampered connections, meters or devices which operate to cause diversion or fraudulent use of electric service, shall be taken as prima facie evidence of diversion of electric service by Customer.

K. INDEMNITY TO COOPERATIVE.

(1) The Customer shall indemnify, save harmless, and defend the Cooperative against all claims, demands, costs or expense, or loss, damage, or injury or death to persons or property, in any manner directly or indirectly connected with, or growing out of the distribution or use of electric service by the Customer at or on the Customer's side of the point of delivery.

(2) The Customer shall indemnify, save harmless, and defend the Cooperative against all claims, demands, costs or expense for trespass, injury to persons, or damage to lawns, trees, shrubs, buildings, or other property that may be caused by reason of or related to installation, maintenance, or replacement of Cooperative's service lines or other necessary appurtenances to serve Customer, unless the injury to persons or damage to property has been caused by willful default or negligence on the part of the Cooperative.

L. PARALLEL OPERATION. No Customer shall operate or permit operation of electric generating equipment in parallel with electric service supplied by the Cooperative except as may be permitted under a special Electric Service Agreement. Any infraction of this rule shall be sufficient cause for discontinuance under Section 4.A.(1).

M. CHARGES FOR WORK COMPLETED ON CUSTOMER'S PREMISES. The Cooperative shall charge for all materials furnished and for all work done on Customer's premises beyond the equipment owned and/ installed by the Cooperative; for trouble calls not occasioned by negligence on the part of the Cooperative; for repair of electric appliances; and any other work or service requested and authorized by Customer. The charges shall be based upon Cooperative's existing schedule for such work. The Cooperative will not charge for replacement or repair of equipment furnished and owned by the Cooperative on Customer's premises except when repairs or replacement are caused by negligence or misuse by Customer or Customer's agents.

SECTION 6 - COOPERATIVE'S SERVICE OBLIGATIONS

A. OVERHEAD SERVICE INSTALLATION.

(1) Installation of Service Wires to Pole. The Cooperative will install overhead service wires from the distribution pole line to a pole located on or adjacent to the Customer's property. The Cooperative will designate the point at which the pole will be located and overhead service wires will be brought to the poles for attachment to the Customer's entrance wires. The pole and the meter equipment thereon shall be furnished in accordance with the Cooperative's procedures for the installation of meter loops, meter receptacles, meters, and related appurtenances by the Cooperative. All service entrance wires and appurtenances thereto beyond this point shall be supplied and maintained by the Customer.

(2) Installation of Service Wires to Building. Under exceptional conditions the Cooperative may elect to install overhead service wires from the distribution pole lines to the exterior of one of the Customer's buildings. The Cooperative will designate the point to which its service wires will be brought on the exterior of

the building for attachment to Customer's service entrance wires. Metering equipment attached to the building shall be furnished in accordance with the Cooperative's procedures for the installation of meter loops, meter receptacles, meters, and related appurtenances, by the Cooperative. All service wires and appurtenances thereto beyond this point shall be supplied and maintained by the Customer.

B. UNDERGROUND SERVICE INSTALLATION.

(1) The Cooperative shall determine those areas where underground electric facilities shall be furnished.

(2) A Customer desiring existing overhead electric facilities to be replaced by underground facilities, shall pay for the total cost of the conversion and underground facilities less material salvage, if any.

(3) Any Customer desiring underground service to his building shall furnish and install, at his own expense, the necessary conduit, master breaker, or main fuse disconnects, underground wires and appurtenances at the point of delivery located on or adjacent to the Customer's premises, and all wires and appurtenances to be installed beyond this point of service.

(4) Where underground service is installed, the transformer, meter pedestal and meter equipment thereon shall be furnished in accordance with the Cooperative's procedures for the installation of meter loops, meter receptacles, meters, and related appurtenances by the Cooperative.

C. ENERGIZING BY COOPERATIVE ONLY. Only authorized Cooperative employees shall be permitted to energize the Cooperative's facilities. Any infraction of this rule shall be sufficient cause for discontinuance of service under Section 4.A.(1).

D. DELIVERY OF ELECTRIC SERVICE.

(1) The obligation of the Cooperative to supply electric service shall be completed by the supplying such electric service at the Customer's point of delivery. The responsibility of the Cooperative for the quality of service and operation of its facilities ends at the point of delivery.

(2) The point of delivery at which electric energy is furnished to Customer will be the Cooperative's meter on Customer's premises, unless otherwise defined by the Customer's Electric Service Agreement.

(3) The Cooperative will not be liable for any loss, damage, or injury whatsoever caused by leakage, escape, or loss of electric energy after it has passed the point of delivery, nor for defects in the Customer's wiring, appliances, or equipment.

(4) The Cooperative shall be required only to furnish, install, and maintain one connection from its distribution facilities, service conductors from such connection to the Customer's point of delivery, and one meter installation to measure such electric service to the Customer for each class of service.

(5) The Cooperative shall not be obligated to supply electric service to a Customer for a portion of the electrical requirements on the premises of the Customer, except pursuant to a special Electric Service Agreement as required in Section 5.M.

E. PROPERTY OF THE COOPERATIVE. All facilities furnished and installed by the Cooperative on the premises of the Customer for the supply of electric service to the Customer shall be and remain the exclusive property of the Cooperative. All facilities on the premises of the Customer which are or become the property of the Cooperative shall be operated and maintained by and at the expense of the Cooperative, may be replaced by the Cooperative at any time, and may be removed by the Cooperative upon termination of the Customer's Electric Service Agreement or upon discontinuance by the Cooperative of electric service to the Customer for any reason. A remote disconnect device may be installed at any meter location. If such device is installed, a notice shall be left with a person at the location or left upon the premises in a manner deemed conspicuous to the Customer by the cooperative employee on site. The Cooperative may also send a letter notifying the member that a remote disconnect device was installed.

F. CONTINUITY OF SERVICE. The Cooperative will use reasonable diligence to supply continuous electric service, but does not guarantee the supply of electric service against irregularities or interruptions. In no event shall the Cooperative be liable for damages from irregularities or interruptions of service, caused by, but

not limited to, failure of facilities, breakdowns or injury to equipment, extraordinary repairs, an act of God, public enemy, accidents, labor disturbance, strikes or their equivalent, sabotage, legal process, federal, state, or municipal interference's and restraint by public authority, any emergency, or any cause beyond the Cooperative's control.

G. **CURTAILMENT, INTERRUPTION OR SUSPENSION OF SERVICE.** The Cooperative shall have the right to curtail (including voltage reduction), interrupt, or suspend electric service to the Customer as may be necessary for the inspection, maintenance, alteration, change, replacement or repair of electric facilities, or for the preservation or restoration of its system operations or of operations on the part of the interconnected electric systems of which the Cooperative's system is a part or as directed by any federal, state, or municipal authority.

H. **RESTORATION OF SERVICE.**

(1) In all cases of curtailment, irregularity, interruption, or suspension of service, the Cooperative will make every reasonable effort to restore service without necessary delay. Labor disturbances affecting the Cooperative or involving employees of the Cooperative may be resolved by the Cooperative at its sole discretion.

(2) The Cooperative shall not be considered in default of the Electric Service Agreement with Customer, and shall not otherwise be liable for any damage occasioned by any curtailment, irregularity, interruption, or suspension of electric service. The Customer shall not be relieved from charges provided for in the Electric Service Agreement and Rate Schedules because of curtailment, irregularity, interruption, or suspension of electric service.

I. **LIABILITY OF COOPERATIVE.** The Cooperative shall not be considered in default of the Electric Service Agreement and shall not otherwise be liable on account of any failure by the Cooperative to perform any obligation if prevented from fulfilling such obligation by reason of any delivery delay, breakdown or failure of or damage to facilities, an electric disturbance originating on or transmitted through electrical systems with which the Cooperative's system is interconnected, act of God or public enemy, strike, or other labor disturbance involving the Cooperative or the Customer, civil, military, or governmental authority, or any cause beyond the control of the Cooperative.

SECTION 7 - LINE EXTENSIONS

A. **LINES AND SERVICES-(Except Developers and Gas or Oil Facilities)**

(1) The Cooperative will invest up to two and one-half (2 ½) times the estimated annual revenue for a proposed extension project. This will be based on the most desirable location and construction as determined by the Cooperative. Based on the estimated cost of construction, the Customer will be responsible for a contribution in-aid-of-construction for any estimated cost of construction amounts greater than the Cooperative investment; plus an additional contribution in-aid-of-construction of \$100.00 plus any additional cost to build the service as the customer desires. Construction costs shall include all applicable costs in accordance to Section 6 Subpart A and B and any other pertinent section of the Rules and Regulations of the Cooperative. The Cooperative retains the right to adjust estimated construction costs.

(2) The minimum contribution in-aid-of-construction shall be \$100.00

(3) Estimated annual revenue shall be annual revenue (less any applicable energy cost adjustments) derived from existing services that are similar in nature. If no similar type services exist on the Cooperative system, the Cooperative will estimate annual revenue based on the load characteristics of the new service.

(4) Should the Customer fail to complete the original project (as defined on the application for service) within six (6) months from the date the service was energized, the Cooperative may recalculate estimated annual revenue. Recalculation of the estimated revenue shall be an annualization of the monthly rate minimum as defined on the applicable rate schedule. The Customer shall be required to

pay any additional contribution in-aid-of-construction based on the recalculation or if it is determined by the Cooperative to be in the best interests of the Cooperative, the account may be set up on a minimum bill, based on 1/30 of the construction costs, for a period of 30 months. The Cooperative retains the right to adjust estimated annual revenue calculations. If a service's projected usage is of a variable or seasonal nature, at the cooperative's discretion, the usage may be evaluated up to three times during the 30 months following construction. If the revenue is below the cooperative's prorated investment in the service, an invoice may be rendered for the difference at the time each evaluation is completed.

- (5) It is the responsibility of the Customer to notify the Cooperative if the project is not completed in the above stated time period.
- (6) The Cooperative shall make only one investment to the original project (as defined on the application of service). Any modifications to the original project, that is not to the benefit of the Cooperative, must be paid in full by the Customer prior to any modifications.
- (7) Should additional residential members be added to an existing line on which an aid-in-construction was paid by an existing member, Leavenworth-Jefferson Electric Cooperative will refund a portion of aid-in-construction paid by the existing member. For each additional resident added to the existing line, the refund shall be subject to the following refund schedule and terms and conditions:

Refund Schedule

<u>Number of Months from Original Payment and Add-on</u>	<u>Refund Amount</u>
1-12.....	\$1,000
13-24.....	\$800
25-36.....	\$500
37-48.....	\$250
49-60.....	\$100

Terms and Conditions for refund of aid-in-construction:

- 1. Add-on's are defined as new residential services being attached to an existing electrical line.
 - 2. Refunds shall be made only to residential members who are active members at the original location for which the aid-in-construction was paid.
 - 3. The refund timeline begins when the full aid-in-construction amount is paid to LJEC.
 - 4. Subdivisions as defined in Sec. 7, are not subject to refunds as defined in this subsection.
 - 5. There is no limit to the number of refunds.
 - 6. The maximum total amount of refund(s) shall be the original paid aid-in-construction less \$1,000.00.
 - 7. This section becomes effective February 17, 1999. Only aid-in-construction amounts paid after this date are subject to refunds.
 - 8. It is the responsibility of the existing member to notify the cooperative of add-on's.
 - 9. Refunds shall be based on the date on which an add-on attached to an existing line. However, no refunds shall be issued after sixty (60) months from payment of original aid-in-construction.
- (8) Any and all contribution in-aid-of-construction must be paid in full prior to Cooperative construction.

B. CONTRIBUTION BY DEVELOPER.

- (1) In the event a developer or owner of a housing or building development requests that the Cooperative construct a distribution system in advance of completion of a substantial number (2 or more) of houses or buildings, the Cooperative will require a contribution in-aid-of-construction, as defined in Subpart E, 2 of this section, based on the number of houses or buildings that will be constructed in a twelve (12) month period.
- (2) The Cooperative will invest two and one-half (2 ½) times the estimated annual revenue for a proposed extension project. Based on the estimated cost of construction, the Customer will be responsible for a contribution in-aid-of-construction for any amounts greater than the two and one-

half (2 ½) times estimated annual revenue; plus an additional contribution in-aid-of-construction of \$100.00 per meter.

- (3) The twelve (12) month period will begin from the date the first project is energized.
- (4) There will be no proration of contribution in-aid-of-construction due to additional services added to original project as defined in the above Subpart E, 1.
- (5) Should the developer or builder fail to complete the number of homes or buildings as determined in the above Subpart E, 1, the Cooperative will recalculate its investment to the project as calculated in the above Subpart E, 2. Recalculation of the estimated annual revenue shall be an annualization of the monthly rate minimum is defined on the applicable rate schedule. The Customer shall be required to pay any additional contribution in-aid-of -construction based on the recalculation. The Cooperative retains the right to adjust estimated annual revenue calculations.
- (6) It is the responsibility of the Customer to notify the Cooperative if the project is not completed in the above stated time period.

SERVICE TO GAS AND/OR OIL PRODUCTION, TRANSMISSION, OR HOLDING FACILITIES.

(1) The Customer will be responsible for an in-aid-of-construction amount for each electric meter established equal to the estimated cost of construction plus an additional \$100 in-aid-of-construction.

D CONTRACT TERM. As evidence that the Customer accepts service under the terms of this extension policy, the Customer will be required to sign an Electric Service Agreement guaranteeing the monthly Customer Charges for a period of at least five (5) years. After the initial contract period, the monthly minimum or monthly Customer Charge will not exceed the amount set forth in the appropriate Rate Schedule.

E. SPECIAL CONTRACTS FOR SERVICE.

(1) Notwithstanding any of the previous provisions, where it is necessary to make extensions or reinforce distribution lines to provide service such that in the sole judgment of the Cooperative, the revenue to be derived from, or the duration of the prospective business is not sufficient under the above-stated monthly Customer charge to warrant the investment, the Cooperative may require any one or more of the following of the Customer before construction of equipment or facilities to supply service:

- (a) an adequate monthly Customer Charge calculated upon reasonable considerations,
- (b) a cash contribution in advance,
- (c) an acceptable guarantee or bond.

(2) In such cases, the Customer shall enter into a written contract with the Cooperative as to character, amount, and duration of the business offered. No interest shall accrue or be payable on any cash contribution required by the Cooperative.

SECTION 8 - METERING

A. METERING OF SERVICE. Cooperative will furnish and install at its expense, all metering installations in accordance with the Cooperative's procedures for the installation of meter loops, meter receptacles, meters, and related appurtenances.

B. SEPARATE METERING. Where Cooperative's Rate Schedules provide for separate metering of different classes of service, Customer's wiring shall be so arranged that each class of service can be metered separately. Not more than one set of service wires will be run to one building or premises for each class of service furnished to the Customer.

C. CHANGES IN METER INSTALLATIONS.

(1) Cooperative will, at its expense, make all changes in Cooperative's installed meter loops, meter receptacles, meters, and related appurtenances on Customer's premises that are required to meet the Customer's increased demand for electric service.

(2) Changes requested by the Cooperative that involve the replacement or relocation of Cooperative's service wires, metering equipment, yard poles, etc., and in the Customer's entrance wires, entrance switches, etc., shall be provided at the Cooperative's expense.

(3) Changes requested by the Customer that involve the replacement or relocation of Cooperative's service wires, metering equipment, yard poles, guys and anchors, etc., shall be provided at the Customer's expense.

D. METER SEALS. Seals will be placed on all meters or meter enclosures by Cooperative and such seals shall not be broken or disturbed by anyone other than authorized representatives of the Cooperative.

E. METER ACCURACY AND TESTING.

(1) The accuracy and testing of Cooperative's meters shall be in accordance with these Rules and Regulations.

(2) Whenever any test by the Cooperative of a watt-hour meter, while in service or on its removal from service, shall show such meter to have an average error of more than two percent (2%) fast or two percent (2%) slow, the following provisions for the adjustment of the electric service bill shall be observed:

- (a) The error found shall be considered for the purpose of these rules to have existed for not more than six (6) months preceding the test or for the time the meter has been in service at the location if less than six (6) months, or from the actual time the meter became damaged if such time can be positively determined and is less than six (6) months prior to the time of the test.
- (b) If the meter is found to be faster than allowable, the Cooperative shall refund to the Customer concerned any overcharge caused thereby during the period inaccuracy of the meter as defined above. The actual error of the meter and not the difference between the allowable error and the error of the meter as found shall be used as the basis for calculating the refund.
- (c) If the meter is found to under-register, the Cooperative may render a bill to the Customer concerned for the estimated consumption not covered by bills previously rendered during the period of inaccuracy as defined in the preceding paragraphs. Such action may be taken, however, only in cases where the bill for estimated inaccuracy amounts to one dollar (\$1.00) or more, and all such bills shall be conditional upon the Cooperative's not being at fault for allowing the inaccurate meter to remain in service. The Cooperative shall in no case render a bill for under-registration where a meter has been found to be slow, unless the particular meter has been tested in conformity with this Section.
- (d) In the case of a non-registering meter which has been read by the Cooperative during the period of non-registration, the Cooperative shall not render a bill for estimated consumption extending over more than twice the regular interval between readings.

F. DEMAND METERS. Whenever any tests by the Cooperative of a demand meter while in service or on its removal from service, shows such meter to be more than two percent (2%) in error, the provisions covering the adjustment of charges in the case of service watt-hour meters shall be observed insofar as they are applicable. If the demand meter depends upon actuation's from the watt-hour meter or its readings, the average error of the demand meter shall be determined from the heavy load accuracy of the watt-hour meter in conjunction with the accuracy of the demand meter itself.

G. SPECIAL METER TESTS. In the event a Customer requests the Cooperative to test a meter, the Customer shall deposit with the Cooperative a Meter Test Fee as filed in the Service Fees Rate Schedule. If the meter is found to be within the accuracy limits established, as referred to in paragraph F.(1) of this Section, the entire Meter Test fee will be retained in order to help defray the Cooperative's expense in testing the meter. In all other cases, the Meter Test Fee shall be refunded to the Customer.

SECTION 9 - GENERAL CLAUSES

A. WAIVER. Waiver by the Cooperative with respect to any default by a Customer in complying with the provisions of the Electric Service Agreement and these Rules and Regulations shall not be deemed to be a waiver with respect to any other or subsequent default by such Customer.

B. LEGAL NOTICES BETWEEN CUSTOMER AND COOPERATIVE. All notices addressed to the Cooperative shall be in writing and no telephone communication shall be considered as proper notice unless otherwise specifically provided for in these Rules and Regulations. If oral orders are taken in person or over a telephone by an agent of the Cooperative, it is done for the convenience of the Customer and at his risk. The Cooperative is not responsible for error, delay, or expense resulting from such procedure, but the Cooperative shall exercise reasonable diligence in carrying out telephone communications from the customer.

C. AUTHORITY AND WAIVER. The requirements contained in these Rules and Regulations may be waived in individual cases by the Board of Trustees of the Cooperative upon written request by the Customer and a showing that compliance with the requirement would serve the interests of neither the Cooperative nor the Customer. No representative, agent, or employee of the Cooperative shall otherwise have the authority to amend, modify, alter, or waive any of Cooperative's Rules and Regulations or bind the Cooperative by promises or representations.

D. REQUEST FOR INVESTIGATION OR COMPLAINT. If Customer feels that service is not adequate and sufficient, the Cooperative should first be advised, as soon as possible, in writing, of the nature of the complaint so that the proper investigation may be conducted. An investigation of the complaint will be made by the Board of Trustees or its authorized representative. The Board will then schedule a hearing at which the Customer may appear either in person or through counsel to explain the nature of the Customer's complaint to the Board of Trustees. The Board of Trustees will then consider what, if any, action should be taken on the Customer's complaint.

These Rules and Regulations adopted by the Leavenworth-Jefferson Electric Cooperative, Inc. Board of Trustees, October 19, 1993.

President of the Board: John B. Sloan
Secretary of the Board: Robert O'Trimble
Amended: October 23, 2001
Amended: January 20, 2004

Attest:

 /s/Larry Stevens
Larry Stevens
President of the Board

 /s/Herbert T. Schwinn
Herbert T. Schwinn
Secretary of the Board