


BLUEBONNET ELECTRIC COOPERATIVE, INC.		Section III	Sheet No. 35
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Tariff For Electric Service			
<u>SECTION TITLE:</u> SERVICE RULES AND REGULATIONS APPLICABLE TO ALL AREAS		BOARD OF DIRECTORS' DATE OF APPROVAL July 18, 2006  <hr/> General Manager Effective Date: August 1, 2006	


301.1 General Policy.

It shall be the policy of this Cooperative to supply electric service under the Cooperative's rate schedules applicable to the class of service supplied to all applicants who require electric service at locations within the Cooperative's existing electric service areas provided the following conditions are met:

1. Applicant makes a request for the required electric service and for membership in the Cooperative.
2. Applicant pays to the Cooperative at the time of request a member deposit(s) (when applicable). In addition, the applicant will be charged an activation fee(s) of \$50.00 per meter, on their first or next billing.

A Certificate of Membership to the Bluebonnet Electric Cooperative shall be delivered to each member in the form of a monthly statement. Membership fees shall be refunded to the members upon final termination of service, provided that all fees due the Cooperative have been paid. The Cooperative may apply a membership fee to a member's final bill for electric service rendered.

3. Applicant executes all contracts which under the Cooperative's rules and regulations and/or rate schedules, are required in connection with furnishing the type of service for which application is being made. If applicable, applicant will complete and sign the Limited Sales Excise and Use Tax Certificate.
4. Applicant furnishes an easement granting to the Cooperative the right to construct, operate and maintain any facilities which the Cooperative may be required to construct or install on the property of the applicant in order to furnish the required electric service. Also, Cooperative has the right to replace, rebuild or remove said facilities and the right to serve others from the same easement at no cost to the Cooperative.
5. The electric service required by the applicant can be supplied from existing facilities of the Cooperative or the applicant can make arrangements with the Cooperative in accordance with the provisions of the Cooperative's existing Line Extension Policy with respect to any facilities required to be constructed in order for the Cooperative to be able to supply applicant with the required electric service.

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6. In those instances where the applicant pays all required fees to fulfill the requested requirements and it is later found that through no fault of the Cooperative the facilities cannot be installed, then all fees less any costs incurred by the Cooperative will be refunded to the applicant.

7. Trailer Park Service.
 Owners and operators of RV and Mobile Home Parks shall be required to make request for, and be responsible for, service to all master meters in such parks. Such request shall be subject to the conditions of service set out in the Cooperative's Application for Membership and Electric Service.

8. Resale of Electric Energy.
 The member shall not extend electric facilities outside their premises for service to other individuals or premises and shall not resell any of the energy received from the Cooperative to any other person or persons on the member's premises, or for use on any other premises.


9. House Moving.
 Where a house or structure is to be moved along roadways over which electric wires are strung, the Cooperative must be advised of the route over which the house or structure is to be moved and the suitable deposit made to cover the cost of providing the clearance of wires. In no case shall anyone other than authorized employees of the Cooperative move, cut, raise, or handle any wires in connection with the move.

10. Modification of Terms and Conditions of Service.

 No agent, representative, or employee of the Cooperative shall have the authority to modify the terms and conditions as stated herein. However, the Cooperative shall have the right to amend the terms and conditions, or to make additional terms and conditions as it may deem necessary from time to time, subject to their approval by the Board of Directors of the Cooperative and any other body having jurisdiction hereto.

11. Activation Charge.

 Applicants applying for electric service to a location shall be billed a \$50.00 activation fee on their first or next billing.

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Refund of Activation Charge.

- A. The activation charge for new locations that was paid will be refunded, minus any charges the Cooperative may have already incurred, if the application for service is cancelled prior to service having been made available.
- B. The Activation charge for existing locations will be refunded, minus any charges the Cooperative may have already incurred, if the application for service is cancelled with no connection having been made.

12. Normal Work Hours.

The Cooperative's normal work days will be Monday through Friday and normal operating hours will be 7:30 AM to 5:30 PM. All other hours shall be classified as special duty hours.

13. Material Sales.

The sale of operating and construction materials may be made only by the approval of the Cooperative General Manager or his designated agent. Such sales shall be made on a book cost basis plus a 15% handling charge.


14. Wiring Inspection Program.

A wiring inspection shall be required of all new locations and existing locations requiring any upgrades, replacements, etc. of the applicant's or member's wiring.

The inspection shall consist of an inspection of wiring for temporary service connections and permanent service. The inspection will occur prior to the service being connected to the Cooperative's system. In the event that the meter loop does not pass the inspection, the job will be turned down and must be re-inspected following the necessary corrections. The re-inspection(s) will result in a \$50.00 charge(s).

A copy of meter loop specifications is in the member handbook and will be provided at the time of the engineering appointment or upon the member's request.

The inspection will be conducted by Cooperative personnel, or by an agent designated by the Cooperative.

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302 Meters.

A. Meter Reading


The Cooperative shall read all meters on a monthly basis and shall render a monthly bill for electric service to each member based upon these readings. Where conditions may dictate, the Cooperative may render an estimated bill for one month when an actual reading is not taken. Each monthly estimated reading will be based upon the previous monthly usage history at that meter. In no such instance shall a member refuse to allow the Cooperative access to its meter or facilities for either monthly reading or service purposes.

B. Meter Testing

The Cooperative will, upon request of the member, test the accuracy of the member's meter, without charge. If desired, the test will be conducted in the member's presence or that of an appointed representative. The test will be conducted during the Cooperative's normal working hours (7:30 AM to 5:30 PM) at a time convenient to the member if he/she desires to observe the test. In some situations, the test shall be made at the Cooperative's test laboratory. If the meter has been tested at the member's request within a four year period from the request of the second test, and the meter is found to be within the acceptable standard of plus or minus two percent (2%), a fee of \$50.00 will be assessed. When applicable, the member shall be advised in writing as to the date of removal of the meter, the date of the test, the test results, and the name of the individual employee who made the test.

If any meter is found to be outside the accuracy standard (+ or - 2%), proper corrections shall be made to the previous readings for the period of six months immediately proceeding removal of such meter from service for test, or from the time the meter was in service since last tested, but not exceeding six months. Adjusted bills shall be rendered as dictated by the test results. No refund is required except to the member last served by the meter prior to testing.

If a meter is found not to register for any period, unless bypassed or tampered with, the Cooperative shall make a charge for units used, but not metered, for a period no to exceed three (3) months based on amounts under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.


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C. Meter Repairs

Any work performed on the member's side of the meter such as changing location of service, removing meter loop for house repairs, throwing multi-breaker switches, etc., will be done only at member's expense. The Cooperative accepts no responsibility whatsoever for any work performed on member's side of meter.


D. Meter Tampering.

When the Cooperative determines that a member's meter has been tampered with or equipment has been bypassed, service may be disconnected immediately, without notice. A fee of \$200.00 will be assessed on the members account for the first offense. For each offense thereafter, the fee shall increase by \$200.00 (e.g. 1st offense \$200, 2nd offense \$400, 3rd offense \$600...). Once disconnected, the member will not have service reconnected again at that location, or at any future location, until a satisfactory settlement has been made of the estimated current diverted, or any other additional charges incurred.

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303 Refusal of Service.

- A. The Cooperative may refuse service to an applicant until such applicant has complied with the State and Municipal regulations and approved rules and regulations of the Cooperative governing the type of service applied for, or for the following reasons:
1. Applicant's facilities are inadequate – if the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given; or the applicant's facilities do not comply with all applicable state and municipal regulations.
 2. Refusal to make deposit – if applicant is required to make a deposit under applicable current rules and refuses to do so.
 3. Violation of Cooperative's Tariff – The applicant fails to comply with the electric tariffs pertaining to operations on nonstandard equipment or unauthorized attachments which interfere with the service of others. The Cooperative shall provide the applicant notice of such refusal and afford the applicant a reasonable amount of time to comply with the Cooperative's tariff.
 4. Intent to Deceive – The applicant applies for service at a location where another member received, or continues to receive, electric service. The electric bill is unpaid at that location, and the Cooperative has suspicion, or has identified, that a change in identity has been made in an attempt to help the other member avoid or evade payment of their electric bill. The Cooperative has the right to refuse service unless the applicant (1) can provide a signed and dated lease agreement proving that he or she is the lessee, or (2) can provide proof of purchase of the residence, or (3) can provide proof of bankruptcy.


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304 Billing.

- A. All bills for electric service and all other amounts due to the Cooperative are payable at any of the Cooperative's member service offices, by mail, via phone or on-line.
- B. All members will be billed on a thirty (30) day basis covering the kilowatt-hour consumption for that 30 day period, with the exception of large power and industrial accounts whose meters are read by Cooperative personnel on varying dates.

The due date of the bill shall be sixteen (16) days after the date of issuance. A bill will be considered delinquent if unpaid by the due date.

- C. Work performed at the request and for the convenience of the member shall be billed on a member job order at actual cost plus fifteen (15%) percent overhead.
- D. Returned payments are not bona fide payments; therefore, the gross billing amount shown on the monthly bill will apply if the payment is not paid in full by the due date shown on the **original bill**. NSF and other payments returned by the bank will be immediately charged back to the member's account. The member will be notified by letter of the returned payment and given ten (10) working days to settle the account. **However, if a disconnect notice has been issued, service will be disconnected if the account has not been cleared by the disconnect date.** For each NSF payment received by the Cooperative, the member will be charged a \$30.00 processing charge per payment.
- E. In order to pay a monthly bill by personal check, no more than two (2) NSF checks will be accepted within a consecutive twelve (12) months' period. Upon receipt of the second NSF check, the member will be notified by letter that personal checks will no longer be accepted as a form of payment for a period of one year (12 months) from the date of the letter. Payment will have to be made by cash, cashier's check, or money order. Also, a personal check from another source (relative, neighbor, friend, etc.) will not be accepted. However, checks from an accepted assistance agency may be accepted.

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F. Idle Service Billing.

An applicant for electric service who the Cooperative has made electric service available to shall have the premises wired and ready to begin consumption within thirty (30) days thereafter. Applicant shall be liable for the minimum monthly charge for electricity contracted for, until they become an actual member of service and pay in accordance with current tariff rates and fees. This rule is designed to take care of situations where the Cooperative has incurred expense in making electricity available and the applicant unduly delays using such energy.


G. Disputed Bills.

If a member gives notice to the Cooperative prior to the due date of the bill, that the current bill is incorrect, and provides valid reasons to substantiate the dispute, the Cooperative will promptly investigate the complaint. However, such notice of dispute shall not be sufficient reason(s) for withholding payment **of the undisputed portion of the bill**. If the bill is found to be incorrect, the Cooperative will credit the amount of overpayment to the next monthly bill.

The member shall be required to pay the disputed portion of the bill which exceeds the amount of the average monthly usage at current rates pending the completion of the complaint resolution within a maximum of sixty (60) days. The member's average monthly usage at current rates shall be the average of the member's gross utility service for the proceeding twelve (12) month period. Where no previous usage exists, consumption for calculating the average monthly usage shall be estimated on the basis of usage levels of similar members under similar conditions.

H. Failure to Receive Bill.

Bills for electric service shall be considered as received by the member when mailed by first class mail. If the member fails to receive a bill, the Cooperative upon request, will issue a duplicate. However, failure to receive a bill in no way exempts a member from payment for service rendered.

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I. Transfer of Delinquent Balances.


If the member has an outstanding balance due from another account in the same rate classification, the Cooperative may transfer that balance to the member's current account. The delinquent balance from the old account shall be identified as such on the bill.

J. Penalty on Delinquent Bills.

A one-time penalty of \$5.00 or five percent (5%) of the amount owed on the current bill, whichever is larger, will be assessed on a delinquent residential, commercial, or industrial account. The penalty will not be applied to any balance to which the penalty has already been applied. No such penalty shall be applied to any State of Texas member (this does not include municipal or county government members).

K. Acceptable Payments

All payments must be made using currency drawn on the United States Federal Reserve banking system. Payments can be made using cash, checks drawn on banks with ABA routing numbers, money orders and credit cards. Those who choose not to pay in this fashion risk the chance of utility service interruptions.

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305. Disconnection of Electric Service.

A. Disconnect Notice

If the member fails or refuses to pay the Cooperative in accordance with the provisions of the Electric Service Agreement, service rules, applicable rate schedule, deferred payment agreement, or guaranty agreement, then proper notice shall be given prior to disconnection. Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. If mailed, the cut-off day may not fall on a holiday or weekend, but shall fall on the next business day after the tenth day. Payment at an authorized payment agency is considered payment to the Cooperative. Disconnect notices shall not be issued earlier than the first day the bill becomes delinquent so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the Cooperative's authorized payment agency.

If it becomes necessary to dispatch a service employee for disconnection, a \$50.00 disconnection charge will be assessed.

B. Disconnect Notice in Hazardous Conditions


Service may be disconnected without any notice to member if a hazardous condition exists or for meter tampering or bypassing.

C. Disconnection for Nonstandard Equipment or Interference with Service of Other Member.

Service may be disconnected for violation of service rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the member and the member is provided with a reasonable opportunity to remedy the situation.

D. Additional Reasons for Disconnection with Proper Notice

Service may be disconnected for failure to make request for service; refusal of access; failure to pay a bill to correct previous underbilling, default on guarantee agreement; if reasonable notice is given.

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E. Extension of Disconnect Date for Medical Reason

The Cooperative will not discontinue service to a delinquent residential member when it is established that disconnection of their electric service will result in a person residing at that residence becoming seriously or chronically ill. It will be the member's responsibility to provide the cooperative with a written statement from the physician or health care provider stating someone at that residence is either seriously ill or on an electrically operated life support system.


The delinquent residential member who makes such a request and provides the documentation has the right to enter into a due date deferral agreement. The critical care documentation is valid for one year from the date illustrated on the document.

If the member's service is disconnected after failure to meet their deferred payment agreement, a reconnection of the service will not be made until the amount owed is paid in full along with the disconnect fee, reconnect fee and a deposit if applicable, for each meter to be reconnected. Full payment must be received prior to 5:30 pm, Bluebonnet will make every effort to reconnect the member's service the same day. However, Bluebonnet reserves the right to postpone reconnection should an emergency situation occur. Payments will not be accepted at the member's service location.

F. Reconnection of Service

If the member's service is discontinued for failure to pay their bill, a reconnection of the service will not be made until the amount owed is paid in full plus the disconnect fee and a deposit, if applicable, for each meter to be reconnected. Full payment must be received in a Bluebonnet office **not later than 5:30 p.m.; payments will not be accepted at the member's service location.** Upon receipt of full payment prior to 5:30 p.m., Bluebonnet will make every effort to reconnect member's service the same day. However, Bluebonnet reserves the right to postpone reconnection should an emergency situation occur.

For payments received **after 5:30 p.m.**, reconnection of service will be scheduled for the following business day. The General Manager or his designated representative may on a case-by-case basis process requests for same day reconnection of service, due to medical or other emergency situations only. If an emergency reconnection of service is approved, the member will be required to pay the actual cost plus appropriate overheads.

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306. Establishment of Credit.

The Cooperative may require applicant, regardless of the type of service applied for, to demonstrate and satisfactorily establish credit in such form and manner as may be prescribed by the Cooperative. The satisfactory establishment of credit shall not relieve the applicant from complying with tariff provisions for prompt payment of bills. Notwithstanding any provision of these rules to the contrary, the following rules shall apply to the establishment of credit.

1. Permanent Residential Applicants.

An applicant may satisfactorily establish credit and shall not be required to pay a deposit if:

A. Payment History

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

B. Senior Citizens

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

C. Other Means

The applicant can provide an acceptable letter of credit reference.

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2. Amount of Deposit for Permanent Residential, Commercial, and Industrial Applicants.

The required deposit shall not exceed an amount equivalent to one-sixth (1/6) of the annual billing as estimated by the Cooperative after discussion of usage history with the Cooperative personnel.

3. Interest Earned on Deposit.


If a member has been required to make a deposit, the Cooperative shall pay interest on such deposit. The rate of interest to be paid on deposits, and overbillings or underbillings, shall be the same as that established annually on December 1 for the subsequent calendar year by the Public Utility Commission of Texas. Payment of the interest to the member shall be a credit on the member's monthly bill until the deposit is returned or credited to the member's account. The deposit shall cease to draw interest on the date it is returned or credited to the member's account.

4. Refund of Deposit During Service Period.

When the member has paid bills for service for twelve (12) consecutive billings, without having service disconnected for nonpayment of a bill and without having more than one occasion in which a bill was delinquent, and when the member is not delinquent in the payment of the current bill, the Cooperative shall promptly and automatically refund the deposit to the member's bill. If the member does not meet these refund criteria, the deposit and interest may be retained.

5. Request for Additional Deposit

If actual billings of a member are at least twice the amount of the estimated or actual billings used to calculate the initial deposit, and a disconnect notice has been issued within the previous twelve (12) months, an additional deposit may be required to be made by the member within ten (10) days after issuance of written notice of termination and requested additional deposit. In lieu of the additional deposit, the member may elect to pay the current bill by the due date, provided the member has not exercised this option in the previous twelve months.


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6. Temporary or Seasonal Service and Weekend Residence

The Cooperative may require an applicant for temporary or seasonal service, or service to weekend or intermittent use installation, to pay a deposit sufficient to reasonably protect the Cooperative against the assumed risk for any of such services but not greater than two times the estimated average billing.


7. Reestablishment of Credit

Every applicant who previously has been a member of the Cooperative and whose service has been discontinued for nonpayment of bills, or for meter tampering or bypassing of meter, shall be required, before service is rendered, to pay all amounts due the Cooperative in order to reestablish credit.

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307. Construction Specifications.

1. All construction, except where modifications are necessary because of existing conditions, shall be in conformance with the specifications and drawings for transmission and distribution facilities developed by the Rural Utility Services (RUS), United States Department of Agriculture. Any deviations from these specifications shall be in compliance with accepted standards of the industry.
2. The type of character of construction and the capacity required for an extension shall be determined by the Cooperative's Engineering Department.
3. The location of the extension origin and the route to be followed in the construction of an extension shall be determined by the Cooperative's Engineering Department after due consideration of the engineering problems involved with the objective of providing the best service possible. The origin need not necessarily be at the point on the existing distribution system most proximate to the applicant's premises, nor the route selected to be the shortest distance between origin and delivery point.
4. In cases where line extensions are constructed on poles jointly with another utility, the investment chargeable to the extension shall be determined as though the necessary facilities were to be entirely constructed by the Cooperative without regard to the actual ownership of the jointly used poles.

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308. Liability.

1. The Cooperative shall not be liable for damages occasioned by interruption, failure to commence delivery, or voltage, wave form, or frequency fluctuation caused by interruption or failure of service or delay in commencing service due to accident to or breakdown of plant, lines or equipment, strike, riot, act of God, order of any court or judge granted in any bonafide adverse legal proceedings or action or any order of any commission or tribunal having jurisdiction, or, without limitation by the preceding enumeration, any other act or things due to causes beyond its control to the negligence of the Cooperative, its employees, or contractors, except to the extent that the damages are occasioned by the gross negligence or willful misconduct of the Cooperative.
2. The member shall be responsible for any injury to persons or damage to property occasioned by or caused by the acts, omissions or negligence of the member or any of their agents, employees, or licensees, in installing, maintaining, operating, or using any of members' lines, wires, equipment, machinery, or apparatus, and for injury and damage caused by defects in the same.
3. The Cooperative shall not be held liable for injury to persons or damage to property caused by it lines or equipment when contacted or interfered with by guy wires, ropes, aerial wires, attachments, trees, structures, or other objects not the property of the Cooperative which cross over, through, or in close proximity to the cooperative's lines and equipment. The Cooperative should be given adequate notice before trees overhanging or in close proximity to the Cooperative's lines or equipment are trimmed or removed, or when stack guys, radio aerials, television antennas, wires, ropes, drain pipe structures, or other such objects are installed or removed near the Cooperative's lines or equipment. The Cooperative assumes no liability whatsoever because of such notice.
4. The Cooperative shall not be held liable for injury to persons or damages to equipment and property caused by other utilities making use of the Cooperative's right-of-way and easement without proper notification and marking of the other utilities' facilities. Where buried facilities of other utilities may cross or run adjacent to the Cooperative's facilities, within close proximity to the Cooperative's facilities "center line", the Cooperative will accept no responsibility and assume no liability for damages to the other utilities' facilities when the Cooperative is maintaining, operating, relocating, replacing, or otherwise working on its facilities within the Cooperative's easement and right-of-way.

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309. Continuity of Service


The Cooperative will endeavor to supply electric service on a continuous basis, but it does not warrant that it will do so. It shall be the responsibility of the member to install such single phase and three phase protective devices as are necessary to properly protect his equipment and property from damage in the event of electrical service failure and/or variations in voltage. The Cooperative accepts no responsibility and assumes no liability for damage incurred by the member by reason of the Cooperative's failure to supply continuous single phase or three phase electric service or for any voltage fluctuations which are beyond its reasonable control.

When a member may be operating or has installed computer equipment, the member shall be responsible for installing such protective devices to protect the computer equipment from interruptions of service, voltage fluctuations, lightning-related disturbances, and system disturbances that may affect the operation of the equipment and/or cause the loss of information stored on the equipment.

When power fails, it is the responsibility of the member to determine that the failure is not the result of his wiring or apparatus before notifying the Cooperative. Where a member may own or make use of semi-inhabited facilities, (Example: weekend cabins, hunting cabins, lake cabins, weekend farm and ranch homes) the Cooperative neither accepts nor assumes any liability in the event that power may be interrupted and not restored at these locations due to the member not residing at these facilities.

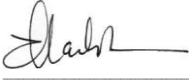
No charge will be made for those failures attributed to the Cooperative; however, if it is found the trouble is in the member's fuses, multi-breaker(s) or wiring, then the member will be billed a \$50.00 service fee. Cooperative personnel will make no repairs on the member's side of the meter.

In order to make repairs to, or changes in, the Cooperative's facilities for supply of electric service, the Cooperative reserves the right, without incurring any liability therefore, to suspend service without notice to the member for such periods as may be reasonable necessary.

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310. Member Complaints.

The Cooperative shall make a full and prompt investigation of all complaints made by its members directly by letter, e-mail, telephone, or in person. Complaints received from other organizations such as the Public Utility Commission of Texas, assistance agencies, cities, etc. will receive the same consideration. A record shall be maintained of all complaints received, that are not resolved immediately, and shall include the name and service address of the member, mailing address (if different than service address), the date and subject of the complaint, and resolution made thereof. This record shall be maintained for a period of two years.

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311. Extension Policies.

A. Temporary Service

Applicants that request temporary electrical service (generally 24 months or less) shall pay non-refundable contribution-in-aid-to-construction (CIAC) for all line extension and removal costs to serve a specific location.

B. General Service/Non-Residential Service

Applicants pay a non-refundable (CIAC) for all estimated line extension costs greater than \$350 per service.

C. General Service/Residential and Single-Phase Commercial Service

Applicants pay a non-refundable (CIAC) for all estimated line extension costs greater than \$1,200 per service.

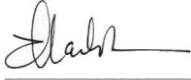
A one-time refund of thirty percent (30%) of the payment made under this section may be made under the following conditions:

1. The CIAC payment from the member is for overhead residential service and exceeds \$7000.00;
2. The line constructed under the CIAC payment is utilized within three years to serve another member;
3. The member requests the refund on the proper form within 90 days of completion of the additional line. All requests for refund will be verified before any refund is made.

The refund is forfeited if the member who paid the CIAC no longer owns the property.

D. Subdivisions or Other Residential Developments

Applicants pay a non-refundable (CIAC) for all estimated line extension costs greater than \$1,200 per service (lot).

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E. Pumping, Three-Phase Commercial and Large Power Service

Applicants pay a non-refundable (CIAC) for all estimated line extension costs greater than the calculated construction allowance for each individual new service.

The calculated construction allowance shall be determined on a case-by-case basis based on the applicant's projected energy usage patterns and expected life of their business, not to exceed 30 years.

F. Motor Loads Greater than 25hp

Service to motor loads greater than 25 horsepower, whether service is to an individual motor, several motors, or motors and non-motor load, are subject to approval by the Chief Engineer and will require applicants to pay line extension fees consistent with section 311C.

G. Relocate Existing Electrical Facilities

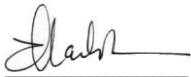
Applicants shall pay a non-refundable (CIAC) for all costs associated with facility relocations.

H. Route Modifications

Cooperative design personnel will always determine the most feasible route for a line extension. A member may request modifications to the route selection, but he or she will bear the full cost of those modifications.

I. Dually Certificated Service Territory:

Applicants for service in dually certificated service territory will pay a non-refundable (CIAC) consistent with the aforementioned policies for their specific rate class. However, at Bluebonnet's discretion, an applicant's contribution may be determined via the more precise construction allocation calculations that are used for Pumping, Three-Phase Commercial, and Large Power Service.

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312. Power Production and Cogeneration


Sections 312 – 316 of this tariff apply to the interconnection and parallel operation of all qualifying power generating installations with the purpose of selling wholesale electricity to the Cooperative or to shave load, as well as to provide electric service to such generating installations. Any member owning or operating a qualifying Power Generating Installation shall be referred to as “Producer.” It is the intent of the Cooperative to encourage and allow Producers to install Distributed Generation provided the Producer’s Distributed Generation facility does not adversely affect the Cooperative. If any part of these sections shall be in conflict with any other provision of this tariff, these sections shall control. By agreement, the Cooperative and Producer may establish additional or different terms, conditions, or rates for the sale or purchase of electricity.

For the purpose of Sections 312 – 316 of this tariff, “Power Generating Installation” shall mean a qualifying small power production facility or a qualifying cogeneration facility under Subpart B of the Federal Energy Regulatory Commission’s Regulations under Section 201 of the Public Utility Regulatory Policies Act of 1978 including any generator, and associated equipment, wiring, protective devices, or switches owned or operated by Producer (“Qualifying Facility”) or Distributed Generation as defined below.

For the purpose of Sections 312 – 316 of this tariff, “Distributed Generation” means an electrical generating facility located at a customer’s point of delivery (point of common coupling) of ten megawatts (MW) or less and connected at a voltage less than 60 kilovolts (kV) that may be connected in parallel operation to the utility system.

For the purpose of Sections 312 – 316 of this tariff, the term “Renewable Net Metering Producer” shall mean a Producer that operates on-site Distributed Generation of 10 kW or less that produces power by the use of renewable energy technology that exclusively relies on an energy source that is naturally regenerated over a short time and derived directly from the sun, indirectly from the sun, or from moving water or other natural movements and mechanisms of the environment.

For the purpose of Sections 312 – 316 of this tariff, the term “Wholesale Producer” shall mean a Producer that operates a Power Generating Installation other than a Renewable Net Metering Producer.

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313. Obtaining Interconnection

Any Producer desiring to interconnect with the Cooperative's system shall meet the following requirements. These requirements are conditions precedent to any obligation of the Cooperative to interconnect or provide any form of electric utility service.


A. Comply with the Tariff

Producer must meet all Cooperative membership and service requirements, apply for interconnection by completing an appropriate Agreement for Interconnection and Parallel Operation, provide an easement satisfactory to the Cooperative, and otherwise comply with the tariff of the Cooperative.

B. Provide Information

Producer shall submit a plan showing the electric design of the generating installation including interconnection requirements, size, operational plans, and equipment for interconnection with the Cooperative's system. Producer shall also provide such additional information as may be required by the Cooperative. In the event the Producer's plan involves the use of non-standard equipment or design techniques, the Cooperative may require such plan be approved by a registered professional engineer.

Cooperative will review the application and accompanying documents, plans, specifications, and other information provided and will return an interconnection analysis to the Producer within 60 days of receipt of final plans and specifications. Any review or acceptance of such plan by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of Producer's equipment to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability or reliability of generating installations.

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C. Pay for Extension of Cooperative's Facilities

Producer shall comply with conditions for extensions of the Cooperative's distribution system as may be determined by the Cooperative in accordance with the following extension policy: If an extension of Cooperative's distribution system is required for sale or receipt of electric energy to or from a generating installation, whether or not in conjunction with another use, the Cooperative shall exercise prudent judgment in determining the conditions under which such extension will be made. Each case shall be viewed individually considering (1) cost to provide service, (2) longevity of the load, (3) annual load factor, (4) possibility of other loads developing along the proposed line extension, (5) longevity, capacity, and dependability of power to be received by the Cooperative, (6) anticipated annual revenue, and (7) compatibility with planned system improvements.


The Cooperative may require Producer to pay a contribution-in-aid-of-construction that equals the amount of material and labor necessary to construct electric facilities to Producer.

D. Provide Liability Insurance

Except for a Producer of Distributed Generation of two megawatts or less and using renewable energy technology, as defined by Section 39.904 of the Texas Utilities Code, Producer shall furnish a certificate from Producer's insurance carrier showing liability insurance satisfactory to the Cooperative including contractual liability insurance covering indemnity agreements, which insures Producer against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation and maintenance of the Producer's generating equipment. The certificate shall name the Cooperative as an additional insured and also provide that the insurance policy will not be changed or cancelled during its term without thirty (30) days written notice to the Cooperative.

E. Sign Contract

Producer shall sign and deliver to the Cooperative an Agreement for Interconnection and Parallel Operation, the form of which is contained in these tariffs.

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F. Complete Construction

Producer shall construct the power generating installation and install a disconnect switch and other protective equipment as may be required by the Cooperative to protect its personnel, facilities, and operations.

G. Comply with Laws, Policies, Standards, and Specifications

Producer shall comply with Federal, State, and local laws, ordinances and regulations applicable to power generating installations. The Producer is responsible for and must follow the Cooperative's tariffs, line extension policies, the policies and procedures of the Cooperative's power supplier where applicable, and the policies and procedures of the Cooperative's transmission service provider where applicable. The producer is responsible for and must follow the current Institute of Electrical and Electronics Engineers (IEEE) 1547 Standard Guide for Distributed Generation Interconnection, other applicable IEEE standards, the current National Electric Code (NEC) 690, and applicable ANSI standards.


H. Notify Cooperative

Producer shall notify the Cooperative in writing at least thirty (30) days in advance of energizing the power generating installation and permit the Cooperative to inspect and test protective equipment.

I. Eliminate Conditions Preventing Interconnection

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

The foregoing are conditions precedent to any obligation of the Cooperative to interconnect or provide any form of electric utility service.

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314. Parallel Operation

A. Installation


With the exception of the Cooperative's meter(s), the Producer shall own and be solely responsible for all expense, installation, maintenance, and operation of the power generating installation at and beyond the point where the Producer's conductors contact Cooperative's conductors. The Producer's generating installation shall be designed and installed in accordance with applicable codes, regulations and prudent engineering practice.

After completion of interconnection requirements and prior to initiation of service, the Cooperative will conduct a final inspection of the facilities and interconnection to the Cooperative's system. In the event that the interconnection does not pass the inspection, the job will be turned down and must be re-inspected following the necessary corrections. The re-inspection(s) will result in a \$50.00 charge(s). Upon satisfactory final inspection, the Cooperative will initiate service to the Producer. The Cooperative's final inspection is intended as a means to safeguard the Cooperative's facilities and personnel. The Producer acknowledges and agrees that any review and acceptance of such plans, specifications, and other information by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of the Producer's equipment or generating facility to perform its intended function.

B. Self Protected Generating Installation

The Producer will furnish, install, operate and maintain in good order and repair, all equipment necessary for the safe operation of the power generating installation in parallel with the Cooperative's electric distribution system. The equipment will have the capability to both establish and maintain synchronism with the Cooperative's system and to automatically disconnect and isolate the generating installation from the Cooperative's system in the event of an outage of the Cooperative or a malfunction of the power generating installation.

The Producer's power generating installation will also be designed, installed and maintained to be protected from normal and abnormal conditions in the Cooperative's electric distribution system. The conditions for which the power generating installation shall be self-protected shall include, but not be limited to: overvoltage, under voltage, over current, frequency deviation, lightning and faults. The self-protection will be compatible with the Cooperative's system protection arrangements and operating policies. Specialized protective functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the particular generating installation characteristics and/or distribution system characteristics so warrant.

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C. Quality of Service

Producer's generating installation will generate power at the nominal voltage of the Cooperative's electric distribution system at the Producer's delivery point as defined by ANSI C84.1 Range A and at the nominal system frequency of 60 Hz within the tolerances as defined by IEEE 1547. Producer shall generate at a power factor that is as near one hundred percent (100%) as is practicable. In the event that the power factor is less than ninety-seven percent (97%) lagging or leading, the Producer will provide proper power factor correction (within three percent (3%) of unity) or reimburse the Cooperative for the cost of any necessary correction.


The overall quality of the power provided by Producer including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges and power factor, will be such that the Cooperative's electric distribution system is not adversely affected in any manner. In the event that adverse effects are caused in whole or in part by Producer's power generating installation, the Producer will correct the cause of such effects or reimburse the Cooperative for the cost of any required correction.

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

D. Safety Disconnect

A Renewable Net Metering Producer shall install, at Producer's expense, inverters with specifications and test standards UL 1741-1999 to provide isolation. In addition, a main disconnect switch will be installed by the Producer to provide a means of disconnection.

A Wholesale Producer, or at the Wholesale Producer's option, the Cooperative, shall provide and install, at the Wholesale Producer's expense, a visible, remotely SCADA-controlled, motor-operated, air-break disconnect switch, a radio for remote communication to the Cooperative Control Center, and remote terminal unit (RTU) compatible to the Cooperative SCADA.

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For all interconnected systems, the disconnect switch will be located so as to be readily accessible to Cooperative personnel in a location acceptable to both the Producer and the Cooperative. It shall be the type of switch which can be secured in an open position by a Cooperative padlock. The Cooperative shall have the right to lock the switch open whenever, in the judgement of the Cooperative, (1) it is necessary to maintain safe electrical operating or maintenance conditions, (2) the Producer's power generating installation adversely affects the Cooperative's electric distribution system, or (3) there is a system emergency or other abnormal operating condition which warrants disconnection.


The Cooperative reserves the right to operate the disconnect switch for the protection of the Cooperative's system even if it affects Producer's power generating installation. In the event the Cooperative opens and closes the disconnect switch, it shall not be responsible for energization or restoration of parallel operation of the generating installation. The Cooperative will make reasonable efforts to notify the Producer in the event the disconnect switch has been operated. The Producer will not bypass the disconnect switch at any time for any reason.

E. Access

Persons authorized by the Cooperative will have the right to enter the Producer's property for the purpose of operating or inspecting the disconnect switch or metering. Such entry onto the Producer's property may be without notice. If the Producer erects or maintains locked gates or other barriers, the Producer will furnish the Cooperative with convenient means to circumvent the barrier for access to the disconnect switch and meter(s).

F. Modifications of Cooperative System

In the event that it is necessary at the time of initial interconnection or at some future time for the Cooperative to modify its electric distribution system in order to purchase or continue to purchase Producer's output, the Producer will reimburse the Cooperative for all just and reasonable costs of modifications which are allocable to the Producer's Power Generating Installation.

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The modifications may include, but are not limited to, special interconnection equipment, protective devices, control devices and/or upgrading of distribution system components. In addition, in the event the Cooperative at any time in the future changes primary voltage of facilities serving the generating facility such that metering equipment, transformers, and/or any other Producer-owned equipment must be changed to continue receiving service at the new primary voltage level, the full cost of the change will be borne by the Producer.

G. Liability for Injury and Damages

Producer assumes full responsibility for electric energy furnished to same, at and past, the point of interconnection. Producer also will indemnify the Cooperative against, and hold the Cooperative harmless from, all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Producer arising from electric power and energy delivered by Cooperative or in any way arising directly or indirectly from Producer's generating installation except (1) when the negligence of Cooperative or its agent or agents was the sole proximate cause of injuries, including death therefrom, to Producer or to employees of Producer or in the case of a residential Producer, to any members of the household; and (2) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by, or result in whole or in part from (a) any negligence of Cooperative or its agent(s), independent of and unrelated to the maintenance of Cooperative's facilities or any condition on Producer's premises or (b) the breach by Cooperative of any provision of any contract regarding purchase and/or sale of electrical energy or service between Cooperative and Producer.

The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions, voltage, and direct or waveform fluctuations occasioned by causes reasonably beyond the control of the Cooperative, including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction.

For claims resulting from failures, interruptions, or voltage and waveform fluctuations occasioned in whole or in part by the negligence of the Cooperative, or its agent(s), the Cooperative shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electrical equipment proximately caused by the negligent acts of the Cooperative or its agent(s). The Cooperative shall not be liable in any event for consequential damages.

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H. Metering


Any necessary meters or meter modification will be installed, maintained and operated by the Cooperative at the Producer's expense.

A connection will be provided for the meter(s) at the Producer's expense in a location that is acceptable to both the Cooperative and the Producer. The Cooperative may, at its own expense, supply, install and maintain load research metering for the purpose of monitoring and evaluating the Producer's generating installation.

The Cooperative shall specify, install and own all metering equipment. The facility will be metered by one of the following methods, at the sole discretion of the Cooperative:

- i. Installing a single meter which runs forward and backward.
- or
- ii. Installing one meter with two registers, each measuring the flow of energy in a single direction.

The meter(s) will, by comparison with accurate standards, be tested and calibrated as often as necessary. The Producer or the Cooperative may reasonably request such tests, and shall be given notice of not less than five (5) working days when such tests are to be made. Both the Producer and the Cooperative will have the right to be present at such tests. If a meter is found to be inaccurate, it shall be restored to an accurate condition or replaced. If the tests disclose that no unacceptable inaccuracies exist in the meter(s), then the party requesting the tests shall bear the expense of the tests. A report of the results of any tests shall be furnished promptly by the party making such tests to the other party. Any meter(s) registering a deviation of not more than two percent (2%) from normal shall be deemed accurate. The readings of any meter(s) which have been inaccurate shall be corrected according to the percentage of inaccuracy as determined by the tests for a period of no more than ninety (90) days prior to the tests. If any meter fails to register for any period, the facility output during such period shall be estimated in the best manner possible as agreed upon by the Cooperative and the Producer.

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I. Notice of Change in Installation


Producer will notify the Cooperative in writing fifteen (15) days in advance of making any change affecting the characteristics, performance, or protection of the generating installation. If it comes to the Cooperative's attention that the modification will create or has created conditions which may be unsafe or adversely affect the Cooperative's system then it shall notify Producer and Producer shall immediately correct such condition.

J. Insurance

Producer shall continue to maintain insurance as required by the Cooperative prior to interconnection and shall provide proof of such insurance to the Cooperative at least annually.


K. Disconnection of Service

The Cooperative may at its sole discretion discontinue the interconnection of Power Generating Installations due to reasons such as safety concerns, reliability issues, power quality issues, breach of interconnection contract, or any other reasonable issue.

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315. Sales to Producers.

Producer's rate classification shall be designated by the Cooperative in accordance with the availability and type of service provisions in its rate schedules for all service. The Cooperative shall bill the Producer for the full energy used by the Producer during each billing period according to the Cooperative's applicable retail rate schedule.

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316. Purchases from Producer

A. Purchases from Producer

- (1) The Cooperative will pay a Renewable Net Metering Producer for all the metered kWh output from the Renewable Net Metering Producer above and beyond that used by the Renewable Net Metering Producer once a year. The Cooperative will pay all Renewable Net Metering Producers in January for the previous calendar year. The price paid by the Cooperative will be the average price paid for wholesale power for generation over the previous twelve (12) months.
- (2) The Cooperative will pay a Wholesale Producer on a monthly basis for the energy supplied by the Wholesale Producer to the Cooperative. The rate paid by the Cooperative to the Wholesale Producer that owns a Qualifying Facility shall be the Cooperative's avoided cost of wholesale power for generation. The rate paid by the Cooperative to the Wholesale Producer that does not own a Qualifying Facility shall be a negotiated rate.

B. Refusal to Purchase

The Cooperative may, at certain times and as operating conditions warrant, reasonably refuse to accept part or all of the output of the Producer's facility. Such refusal shall be based on system emergency constraints, special operating requirements, changes in wholesale generation contractual requirements, and adverse effects of the Producer's facility on the Cooperative's system or violation by the Producer of the terms of the Agreement for Interconnection and Parallel Operation. The Cooperative shall not be required to make any purchases that will cause the Cooperative to no longer be in compliance with any applicable contracts or all-power contract requirements with the Cooperative's power supplier(s).

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AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION:
RENEWABLE NET METERING PRODUCER

THIS AGREEMENT made this _____ day of _____, 20____, by and between _____ (hereinafter referred to as the "Producer") and Bluebonnet Electric Cooperative, Inc. (hereinafter referred to as the "Cooperative") is as follows:

1. Purpose. Producer owns or intends to own and/or operate a qualifying Power Generating Installation as defined in Section 312 of the Cooperative's Tariff and desires to interconnect and operate such installation in parallel with the Cooperative's electric Distribution System. This Agreement defines the relationship between the Cooperative and the Producer, including the terms affecting the purchase and sale of electricity as well as reasonable conditions for interconnection and parallel operation.

2. Producer's Certification. The Producer certifies that he/she is using renewable resources in a Power Generating Installation with an aggregate design capacity of 10 kilowatts or less. Producer certifies that he/she is a Renewable Net Metering Producer as defined in Section 312 of the Cooperative's Tariff.

3. Producer's Generating Installation. The Power Generating Installation to which this agreement applies is described as:

Make _____

Model _____

Serial # _____


Fuel or Energy Source _____

Nameplate Output Rating _____ kW

Operating Voltage _____ volts

Connection _____ phase

Located at _____

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Emergency Contact:

Name _____

Address _____


Phone _____

4. Terms. The Cooperative agrees to use reasonable diligence to provide simultaneous Electric Service. Interconnection, parallel operation, and sales and purchases of electricity shall be governed by the Cooperative's Tariff, including any and all amendments that may hereafter be approved or ordered by any regulatory authority. SAID TARIFF INCLUDING ALL SERVICE RULES, REGULATIONS AND RATES IS A PART OF THIS AGREEMENT TO THE SAME EXTENT AS IF FULLY SET OUT HEREIN AND IS ON FILE AND AVAILABLE AT THE COOPERATIVE'S OFFICE IN BASTROP, TEXAS.

5. Interconnection. Prior to interconnection, the Producer shall have (a) fulfilled all requisites for the provision of Electric Service contained in the Cooperative's Tariff; (b) provided an interconnection plan and other information; (c) complied with the conditions for any Facilities extension; (d) provided satisfactory liability insurance; (e) signed and delivered this Agreement; (f) completed construction; (g) complied with laws; (h) given notice of intent to energize; and (i) eliminated any conditions preventing interconnection. The Producer warrants to the Cooperative that the Producer's power generating installation is constructed, shall be maintained in a safe and reliable condition and shall comply with the latest applicable codes.

6. Parallel Operation. The Producer is responsible for installation, safe operation, protection, and maintenance of all equipment and wiring at and beyond the point where the Producer's conductors contact the Cooperative's conductors. The electrical power generated shall be compatible with the Cooperative's standard Distribution System at the Point of Delivery and of such quality that the Cooperative's system is not adversely affected. The Producer shall install and pay for a visible break disconnect switch. The Cooperative shall have access to the disconnect switch and the Meter at all times.

The Cooperative's liability is limited in accordance with its Tariff, and the Producer agrees to indemnify and hold the Cooperative harmless for all claims except as specified in the Tariff.

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7. Purchases of Electricity from Producer. The Cooperative will pay a Renewable Net Metering Producer for all the metered kWh output from the Renewable Net Metering Producer above and beyond that used by the Renewable Net Metering Producer once a year. The Cooperative will pay all Renewable Net Metering Producers in January for the previous calendar year. The price paid by the Cooperative will be the average price paid for wholesale power for generation over the previous twelve (12) months.

The Cooperative may, at certain times and as operating conditions warrant, reasonably refuse to accept part or all of the output of the Producer's facility. Such refusal shall be based on system emergency constraints, special operating requirements, changes in wholesale generation contractual requirements, and adverse effects of the Producer's facility on the Cooperative's system or violation by the Producer of the terms of this Agreement. The Cooperative shall not be required to make any purchases that will cause the Cooperative to no longer be in compliance with any applicable contracts or all-power contract requirements with the Cooperative's power supplier(s).

8. Sales of Electric Service to Producer. The Producer agrees to pay for Electric Service in accordance with the Rate Schedule applicable to the _____ class. If any Tariff or rate is changed by the Cooperative, or by order or consent of any Regulatory Authority having jurisdiction thereof, whether or not at the request of the Cooperative, such changed Tariff, rate or redefined class of service shall be applicable to service provided hereunder from and after the date of such change. The Cooperative shall render monthly a statement to the Producer for electric service, and Producer shall pay the statement in accordance with the applicable provisions of the Tariff.

9. Term. The acceptance of this instrument by the Cooperative shall constitute an agreement between the Producer and the Cooperative which shall continue in force for an initial term of _____ years (not to exceed five (5) years) from the date service is made available by the Cooperative to the Producer. After the initial term, this Agreement may be terminated by either party giving at least thirty (30) days' written notice to the other party.

10. Breach. The failure or refusal to perform any obligation contained in this Agreement shall constitute a breach of this Agreement. The parties shall have such remedies for breach as may be provided for at law or in equity. Notwithstanding any other provision of this Agreement, the Cooperative may discontinue service if the Producer has breached any portion of this Agreement by failure to make timely payment or otherwise.

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11. Entire Agreement. This Agreement constitutes the entire Agreement between the parties and supersedes all prior agreements between the Producer and the Cooperative for the service herein described. The Cooperative, its agents and employees have made no representations, promises, or made any inducements, written or verbal, which are not contained herein. The Producer agrees that it is not relying on any statements not herein contained.

12. Assignment. This Agreement shall not be assigned by the Producer except in accordance with the articles, bylaws, and Rules and regulations of the Cooperative. This Agreement shall inure to the benefit of the Cooperative's assigns.

13. Interconnection Cost. Producer agrees to pay for extension of the Cooperative's Facilities and other interconnection costs as follows:

\$ _____ in advance of any work by the Cooperative;

or

\$ _____ per month as an increased monthly minimum over and above the applicable minimum stated in the Cooperative's Tariff.


14. Receipt of Tariff. Producer acknowledges receipt of the Cooperative's currently-effective Tariff.

BLUEBONNET ELECTRIC COOPERATIVE, INC.

PRODUCER

By: _____

By: _____

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AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION:
WHOLESALE PRODUCER

THIS AGREEMENT made this _____ day of _____, 20____, by and between _____ (hereinafter referred to as the "Producer") and Bluebonnet Electric Cooperative, Inc. (hereinafter referred to as the "Cooperative") is as follows:

1. Purpose. Producer owns or intends to own and/or operate a qualifying Power Generating Installation as defined in Section 312 of the Cooperative's Tariff and desires to interconnect and operate such installation in parallel with the Cooperative's electric Distribution System. This Agreement defines the relationship between the Cooperative and the Producer, including terms affecting the purchase and sale of electricity as well as reasonable conditions for interconnection and parallel operation.

2. Producer's Certification. The Producer certifies that Producer is a Wholesale Producer as defined in Section 312 of the Cooperative's Tariff. Producer also certifies that Producer has registered with the Public Utility Commission of Texas in accordance with 16 Texas Administrative Code § 25.109 as may be amended.

3. Producer's Generating Installation. The Power Generating Installation to which this agreement applies is described as:

Make _____

Model _____

Serial # _____


Fuel or Energy Source _____

Nameplate Output Rating _____ kW

Operating Voltage _____ volts

Connection _____ phase

Located at _____

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Emergency Contact:

Name _____

Address _____


Phone _____

4. Terms. The Cooperative agrees to use reasonable diligence to provide simultaneous Electric Service. Interconnection, parallel operation, and sales and purchases of electricity shall be governed by the Cooperative's Tariff, including any and all amendments that may hereafter be approved or ordered by any regulatory authority. SAID TARIFF INCLUDING ALL SERVICE RULES, REGULATIONS AND RATES IS A PART OF THIS AGREEMENT TO THE SAME EXTENT AS IF FULLY SET OUT HEREIN AND IS ON FILE AND AVAILABLE AT THE COOPERATIVE'S OFFICE IN BASTROP, TEXAS.

5. Interconnection. Prior to interconnection, the Producer shall have (a) fulfilled all requisites for the provision of Electric Service contained in the Cooperative's Tariff; (b) provided an interconnection plan and other information; (c) complied with the conditions for any Facilities extension; (d) provided satisfactory liability insurance; (e) signed and delivered this Agreement; (f) completed construction; (g) complied with laws; (h) given notice of intent to energize; and (i) eliminated any conditions preventing interconnection. The Producer warrants to the Cooperative that the Producer's power generating installation is constructed, shall be maintained in a safe and reliable condition and shall comply with the latest applicable codes.

6. Parallel Operation. The Producer is responsible for installation, safe operation, protection, and maintenance of all equipment and wiring at and beyond the point where the Producer's conductors contact the Cooperative's conductors. The electrical power generated shall be compatible with the Cooperative's standard Distribution System at the Point of Delivery and of such quality that the Cooperative's system is not adversely affected. The Producer shall install and pay for a visible break disconnect switch. The Cooperative shall have access to the disconnect switch and the Meter at all times.

The Cooperative's liability is limited in accordance with its Tariff, and the Producer agrees to indemnify and hold the Cooperative harmless for all claims except as specified in the Tariff.

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7. Purchases of Electricity from Producer.

The Cooperative will pay a Wholesale Producer on a monthly basis for the energy supplied by the Wholesale Producer to the Cooperative. The rate paid by the Cooperative to the Wholesale Producer [that owns a Qualifying Facility] shall be the Cooperative's avoided cost of wholesale power for generation or [that does not own a Qualifying Facility] shall be _____per kWh.


The Cooperative may, at certain times and as operating conditions warrant, reasonably refuse to accept part or all of the output of the Producer's facility. Such refusal shall be based on system emergency constraints, special operating requirements, changes in wholesale generation contractual requirements, and adverse effects of the Producer's facility on the Cooperative's system or violation by the Producer of the terms of this Agreement. The Cooperative shall not be required to make any purchases that will cause the Cooperative to no longer be in compliance with any applicable contracts or all-power contract requirements with the Cooperative's power supplier(s).

8. Sales of Electric Service to Producer. The Producer agrees to pay for Electric Service in accordance with the Rate Schedule applicable to the _____ class. If any Tariff or rate is changed by the Cooperative, or by order or consent of any Regulatory Authority having jurisdiction thereof, whether or not at the request of the Cooperative, such changed Tariff, rate or redefined class of service shall be applicable to service provided hereunder from and after the date of such change. The Cooperative shall render monthly a statement to the Producer for electric service, and Producer shall pay the statement in accordance with the applicable provisions of the Tariff.

9. Term. The acceptance of this instrument by the Cooperative shall constitute an agreement between the Producer and the Cooperative which shall continue in force for an initial term of _____ years (not to exceed five (5) years) from the date service is made available by the Cooperative to the Producer. After the initial term, this Agreement may be terminated by either party giving at least thirty (30) days' written notice to the other party.

10. Breach. The failure or refusal to perform any obligation contained in this Agreement shall constitute a breach of this Agreement. The parties shall have such remedies for breach as may be provided for at law or in equity. Notwithstanding any other provision of this Agreement, the Cooperative may discontinue service if the Producer has breached any portion of this Agreement by failure to make timely payment or otherwise.

11. Entire Agreement. This Agreement constitutes the entire Agreement between the parties and supersedes all prior agreements between the Producer and the Cooperative for the service herein described. The Cooperative, its agents and employees have made no representations, promises, or made any inducements, written or verbal, which are not contained herein. The Producer agrees that it is not relying on any statements not herein contained.

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12. Assignment. This Agreement shall not be assigned by the Producer except in accordance with the articles, bylaws, and Rules and regulations of the Cooperative. This Agreement shall inure to the benefit of the Cooperative's assigns.

13. Interconnection Cost. Producer agrees to pay for extension of the Cooperative's Facilities and other interconnection costs as follows:

\$ _____ in advance of any work by the Cooperative;

or

\$ _____ per month as an increased monthly minimum over and above the applicable minimum stated in the Cooperative's Tariff.

14. Receipt of Tariff. Producer acknowledges receipt of the Cooperative's currently-effective Tariff.

BLUEBONNET ELECTRIC COOPERATIVE, INC.

PRODUCER

By: _____

By: _____