For ENTIRE TERRITORY SERVED

P. S. C. KY. NO. 9

ORIGINAL SHEET NO. 1

Cancelling P.S.C. Ky. No. _____

_____ SHEET NO. _____

SALT RIVER RURAL ELECTRIC COOP., CORP.

RULES AND REGULATIONS

1. SCOPE

This schedule of Rules and Regulations is hereby made a part of all contracts for electric service received from Salt River Rural Electric Cooperative Corporation, hereinafter referred to as the Cooperative, and applies to all service received, whether such service is based upon a contract, agreement, signed application or otherwise. No employee or director of the Cooperative is permitted to make an exception to the rates and rules.

Regulations are on file at the Cooperative's offices and can be obtained from Cooperative personnel. All rules and regulations shall be effective as long as they are approved by the Public Service Commission.

2. REVISIONS

These rules and regulations may be revised, amended, supplemented, or otherwise changed from time to time after approval by Salt River Rural Electric Cooperative Corporation's Board of Directors and the Public Service Commission. Such changes, when effective, shall have the same force as the present rules and regulations.

3. SERVICE AREA

The Cooperative furnishes electric power supplied in portions of Bullitt, Nelson, Spencer, Washington, Jefferson, Shelby, Anderson, Mercer, Marion and LaRue Counties.

4. AVAILABILITY

Available to all members of the Cooperative as specified in the tariff sheets and classifications of service.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 1 1984

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Jackson E. Neel

Date of Issue DECEMBER 2, 1983 Date Effective JANUARY 1, 1984

Issued By KENNETH A. HAZELWOOD Title GENERAL MANAGER
Name of Officer

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5. AVAILABILITY OF SERVICE TO DELINQUENT MEMBERS

The Cooperative shall deny service to any applicant who is a member of a delinquent household when the prior customer continues to reside in the household and uses the service. If the application is accepted before the facts are established, the membership of the applicant will be cancelled and the deposit, if any, applied to the delinquent member's account.

When a consumer's service is disconnected at one location and then connected at another location, the balance due at the original location may be transferred to the account of the new location. The service to the new location may then be disconnected if the customer becomes delinquent in his payment of the original balance.

6. RIGHT TO ACCESS

Each member shall, at the time of application, provide the Cooperative with permits or shall sign right-of-way easements furnished by said Cooperative. The Cooperative shall at all reasonable hours have access to meters, service connections, and other property owned by the Cooperative and located on the consumer's premises for purpose of placing, locating, building, construction, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending, and maintaining on, over, or under such lands and premises, or removing therefrom its electrical distribution system, new or existing line, wires, poles, anchors, and other necessary or pertinent parts.

Any employee of the Cooperative whose duties require him or her to enter the customer's premises shall wear distingushing uniform or insignia identifying him/her as an employee of the Cooperative, or carry on his/her person a badge or other identification which will identify him as an employee of the Cooperative, the same to be shown upon request.

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BY: Jordan C Neel

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8. APPLICATON FOR ELECTRIC SERVICE

Each prospective member and spouse desiring electric service will be required to sign the Cooperative's form of "Application for Membership". Prospective members requiring new service extension may be required to sign a Cooperative's form of "Application for Service Connect or Disconnect", before service is supplied by the Cooperative. Also, when applicable, the prospective consumer must sign a contract pertaining to their particular service. The prospective consumer must provide the Cooperative with all necessary permits and fully executed right-of-way easements. At the time of application for service, the consumer must also furnish his/her social security number, phone number, permanent address and place of employment. T

9. MEMBERSHIP FEE

A Twenty-Five Dollar ($25.00) membership fee shall be paid to become a member of the Cooperative with a membership certificate being issued after the application has been approved by the Board of Directors. An additional fee of Twenty-Five Dollars ($25.00) shall be paid for each additional service connection requested by the member. The membership fee will be refunded if all bills are paid, or applied against any unpaid bills of the member at the time service is disconnected, which will automatically terminate the membership. Membership fees are not transferrable to any other person or to any other location except as provided in the By-Laws.

10. CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electrical power and energy, but if such a supply should fail or be interrupted or become defective through an act of God, or the public enemy or by accident, strikes, or labor trouble, or by action of the elements, or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE MAY 01 1986 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: J. Deogheagan

Date of Issue April 7, 1986

Issued By KENNETH A. HAZELWOOD

Name of Officer

Date Effective May 1, 1986

Title GENERAL MANAGER

7. NO-PREJUDICE OF RIGHT

Failure by the Cooperative to enforce any of the terms of these rules and regulations shall not be deemed as a waiver of the right to do so.

8. APPLICATION FOR ELECTRIC SERVICE

Each prospective member and spouse desiring electric service will be required to sign the Cooperative's form of "Application for Membership". Prospective members requiring new service extension will be required to sign a Cooperative's form of "Application for Service Connect or Disconnect", before service is supplied by the Cooperative. Also, when applicable, the prospective consumer must sign a contract pertaining to their particular service. The prospective consumer must provide the Cooperative with all necessary permits and fully executed right-of-way easements. At the time of application for service, the consumer must also furnish his/her social security number, phone number, permanent address and place of employment.

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PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1984

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: Jordan E. Neel

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defective through an act of God, or the public enemy or by accident, strikes, or labor trouble, or by action of the elements, or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable.

11. NON-STANDARD SERVICE

The member or customer shall pay for the cost of any special installation necessary to meet his requirements for service at other than standard voltage, or for the supply of closer voltage regulation than required by standard practices.

12. BILLING

A. Non-Demand Billing - The Cooperative's billing period is from the 25th of one month to the 25th of the next month. On or about the 25th of each month, the Cooperative renders an electric service statement to each consumer for service to the 25th day of the previous month. The consumer shall pay the net amount of the electric service statement by the 10th day of the following month and the gross amount thereafter.

B. Demand Type Metering - The Cooperative's billing period shall be from the 1st of one month to the 1st of the next month. On or about the 5th of each month, the Cooperative renders an electric service statement to each consumer for service to the 1st day of the month. The consumer shall pay the net amount of the electric service statement by the 24th of the month and the gross amount thereafter.

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BY: Jackson C. Neal

Failure to receive the bill will not release the consumer from payment obligations.

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13. DEPOSITS

A cash deposit will be required from any consumer requesting service connection or reconnection equal to approximately 2/12th of the estimated annual bill except as provided for under Rule No. 17. The estimated annual bill shall be calculated at the rate in effect at time of deposit.

A consumer's deposit may be waived for any consumer who has established an acceptable credit history during the previous twelve (12) months and wishes a new service connection under the exact same name for which the credit history was established. A one month grace period between disconnection of service for which the credit history was established and new service connection may be granted when considering credit history for the previous twelve (12) months.

All temporary services shall be excluded from this consumer deposit. (An acceptable credit history cannot be established by the use of a temporary service).

An acceptable credit history means that, during the time specified the member must not have made more than two (2) late payments, paid with a cold check or have been disconnected for non-payment.

Interest shall be computed on said deposit at the rate of 6% annually. Interest is to be paid or credited to the bill upon refund of deposit or annually at the anniversary date of the deposit.

Refunds of all deposits shall be made under the following conditions:

1. Upon the request of discontinuation of service for which the deposit was made by the consumer, (any unpaid bills shall be deducted from the deposit).

2. Upon the annual anniversary of the payment of said deposit following one year of continuous service during which the member has established an acceptable credit history as defined above.

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If a residential deposit is recalculated in accordance with the above and meets the requirements of a refund, the consumer shall first return the original certificate of deposit to the Cooperative in return for a new, accurate certificate. If the original certificate has been lost or is otherwise unavailable, the consumer shall sign the duplicated certificate maintained at the Cooperative's facility to verify the change of deposit amount for future reference. T

14. EQUALIZED (BUDGET) BILLING

Equalized/budget billing is available to all residential consumers who have lived at their present location for one year and who have an average monthly bill of at least Thirty Dollars ($30.00) and sign an agreement for such billing during the months of April, May and June. Anyone not doing so during these months must wait until the following April.

1. The equalized payment plan for each account is determined by:

   a. Totaling the past twelve (12) months' charges including all taxes, security light charges, if any.

   b. Dividing this total by twelve (12). This amount will then be the monthly payment for the account.

   c. Each month the 12th month is dropped and the current month added, keeping a twelve (12) month current average, thereby never having a catch-up month.

2. The consumer agrees to read their own meter on the 25th of each month and report said reading before the 10th of the following month to the office.

3. The consumer agrees to pay the budgeted amount on or before the 10th of each month. Failure to do so will void the agreement and the total balance, if any, will be due and payable.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE MAY 01 1986 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: J. Geoghegan

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3. Upon discontinuation of service for which the deposit was made for any reason, (such as non-payment of bills). Any unpaid bill shall be deducted from the deposit.

14. EQUALIZED (BUDGET) BILLING

Equalized/budget billing is available to all residential consumers who have lived at their present location for one year and who have an average monthly bill of at least Thirty Dollars ($30.00) and sign an agreement for such billing during the months of April, May and June. Anyone not doing so during these months must wait until the following April.

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   b. Dividing this total by twelve (12). This amount will then be the monthly payment for the account.

   c. Each month the 12th month is dropped and the current month added, keeping a twelve (12) month current average, thereby never having a catch-up month.

2. The consumer agrees to read their own meter on the 25th of each month and report said reading before the 10th of the following month to the office.

3. The consumer agrees to pay the budgeted amount on or before the 10th of each month. Failure to do so will void the agreement and the total balance, if any, will be due and payable.

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4. The agreement remains in effect until cancelled by the consumer or the Cooperative or by the member's failure to furnish meter readings or payments as outlined above.

15. PARTIAL PAYMENT PLAN

Consumers who are unable to pay their bills may come to the Cooperative's offices during regular office hours and negoiate the arrangements for a partial payment plan and retention of service. The consumer must appear in person and the arrangement must be in writing and be signed by the consumer.

In addition to any partial payment plan agreement for past due amounts the consumer must also pay all other current bills.

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16. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE

Upon written certification from one of the Kentucky Department for Social Insurance Offices, a consumer who is eligible for energy assistance under the department's guidelines or is certified as being in genuine financial need, defined as any household with gross income at or below 130% of the proverty level, and who has been given a ten (10) day notice for non-payment of his electric bill rendered between December 1 and March 1, and who presents such notice to the department for social insurance, shall be allowed thirty (30) days in addition to such ten (10) day period in which to negoiate a partial payment plan with the Cooperative provided such certification is delivered to the Cooperative during the initial ten (10) day notice period by the applicant in person, by his or her agent, by mail, or by a telephone call from an employee of the department for social insurance. The thirty (30) day period shall begin to run at the end of the 10th day of the ten (10) day period.

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When the customer exhibits good faith by offering to make a present payment commensurate with his or her ability to do so and by agreeing to a repayment schedule which would permit the consumer to become current in the payment of his or her electric bill as soon as possible, but no later than August 1, the Cooperative will accept such partial payment plan. The ten (10) day notice will also inform the consumer of the telephone number and address of the nearest office of the Kentucky Cabinet for Human Resources, Department of Social Insurance

17. WINTER HARDSHIP RECONNECTION

The Cooperative shall reconnect service to a consumer who has been previously disconnected for non-payment of bills during the previous 15 months pursuant to Item 22 (f) and who applies for such reconnection of service during the months from November thru March when the consumer or his or her agent:

1. Presents a certificate of need from the department for social insurance including a certification that a referal for weatherization services has been made; and

2. Pays 1/3 of his or her outstanding bill or $200.00, which ever is less; and,

3. Agrees to a repayment schedule which would permit the consumer to become current in the payments of his or her electric bill as soon as possible but no later than October 15 provided, however, that if, at the time of application for reconnection the consumer has an outstanding bill in excess of $600.00 and agrees to a repayment plan that would pay current charges and makes a good faith reduction in the outstanding bill consistent with his or her ability to pay, then such plan shall be accepted.

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18. LOCATION OF METERS

Meters shall be easily accessible for reading, testing and making necessary adjustments and repairs and shall be located at a site designated by Cooperative personnel.

19. RECONNECTION CHARGE

When service has been disconnected at the consumer's request and the Cooperative is requested to reconnect to the same member at the same location, a Ten Dollar ($10.00) reconnect fee will be charged. All reconnections made under this provision must be made during regular working hours.

20. TAMPERING

If the meters or other property belonging to the Cooperative are tampered with, the consumer being supplied through such equipment shall pay the amount which the Cooperative may estimate is due for service rendered, but not registered on the Cooperative's meter and for such replacement and repairs as are necessary, as well as for cost of inspection, investigations, and protective installation.

21. NOTICE OF TROUBLE

The consumer shall give immediate notice at the office of the Cooperative of any interruption or irregularities or unsatisfactory service and of any defects known to the consumer. The Cooperative may, as it deems necessary, suspend supply of electrical service to any consumer or consumers for the purpose of making repairs, changes or improvements upon any part of its system.

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Date of Issue DECEMBER 2, 1983 Date Effective JANUARY 1, 1984

Issued By KENNETH A. HAZELWOOD Title GENERAL MANAGER
Name of Officer

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22. DISCONTINUANCE AND REFUSAL OF SERVICE

Any member desiring service discontinued or changed from one address to another shall give the Cooperative three (3) days notice provided such notice does not violate contractual obligations.

The Cooperative may refuse or discontinue to serve an applicant or consumer under the following conditions:

A. For non-compliance of its rules and regulations. However, the Cooperative shall not discontinue or refuse service to any customer or applicant for violations of its rules and regulations without first having made a reasonable effort to induce the customer or applicant to comply with the rules and regulations as filed with the Public Service Commission. After such effort on the part of the Cooperative, service may be disconnected or refused only after the member shall have been given at least ten (10) days written notice of such intention, mailed to his/her last known address.

B. When a dangerous condition is found to exist on the member's or applicant's premises, the service shall be disconnected without notice or refused, provided that the Cooperative notifies the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken by them before service can be installed or restored.

C. When a consumer or applicant refuses or neglects to provide reasonable access to the premises for the purpose of installation, operation, meter reading, maintenance or removal of the Cooperative's property, the Cooperative may discontinue or refuse service only after the customer or applicant shall have been given at least 15 days written notice of such intention.

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D. The Cooperative shall not furnish service to any applicant when such applicant is indebted to the Cooperative for service furnished until such applicant shall have paid such indebtedness.

E. The Cooperative may refuse or discontinue service to a member or applicant if the customer or applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.

F. The Cooperative may discontinue service under the following conditions:

For non-payment of bills. However, the Cooperative shall not discontinue service to any member for non-payment of bills (including delayed charges) without first having made reasonable effort to induce the member to pay same. The customer shall be given at least 10 days written notice, but the cut-off shall not be effective for 27 days after the mailing date of the original bill. Such termination notice shall be exclusive of and separate from the original bill. If, prior to discontinuance of service there is delivered to the Cooperative's office, or to its employees prior to discontinuance of service, payment of the amount in arrears, the discontinuance of service shall not be made, or where a written certificate is filed signed by a physician, a registered nurse, or a public health officer stating that in the opinion of the person making the certification, discontinuance of service will aggravate an existing illness or infirmity on the affected premises, service shall not be discontinued until the affected resident can make other living arrangements or until thirty (30) days elasped from the

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time of the Cooperative's notification to the member in writing of the existance of local, state and federal programs providing for the payment of the Cooperative bills under certain conditions and of the officers to contact for such possible assistance. The written notice for any discontinuance of service shall advise the customer of his rights and his right to dispute the reasons for such discontinuance.

23. PRIMARY METERING

At any time the Cooperative finds it is more desirable, it may at it's own option and expense, install primary metering equipment. The Consumer will own and operate all facilities past the metering point.

24. INSPECTION

In keeping with 815 KAR 7:020 (16b), the Cooperative shall not initiate new permanent electric services until the required certificate of approval has been issued by a Certified Electrical Inspector as required by local and state laws.

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25. TEMPORARY SERVICE

A member or consumer requesting temporary service may be required to pay all cost of constructing, removing, connecting, and disconnecting service. The facilities that are temporary in nature, such as for construction contractor, saw mills, oil wells, carnivals, fairs, camp meetings, etc., will be provided to consumers making application for same, provided they pay an advance fee equal to the reasonable cost of constructing and removing such facilities along with a deposit, (amount to be determined by the Cooperative) for estimated KWH usage. Upon termination of temporary service the payment paid on estimated usage will be adjusted to the actual usage and either a refund

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or additional billing will be issued to such temporary member of consumer.

A member or consumer requesting a temporary service for construction of a permanent facility may be required to pay all cost of construction and connection of said service. Any payment required shall be refunded in accordance to the line extension policy for permanent residences if, in fact, the temporary service is replaced by a permanent facility. Temporary service used for such construction may be only utilized for a period not to exceed six (6) months after which time the service will be disconnected unless a written extension of time is obtained from the Cooperative.

25. CONSUMER'S LIABILITY

The consumer shall assume full responsibility for service upon his premises at and from the point of delivery thereof, and for wires, apparatus, devices and appurtenances thereon used in connection with service. Consumer shall indemnify, save harmless and defend the Cooperative against all claims, demands, cost or expenses for loss, damages, or injury to person or property in any manner directly or indirectly arising from, connected with, or growing out of the transmission or use of current by consumer at or on the customer's side of point of delivery.

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27. PROTECTION OF THE COOPERATIVE'S EQUIPMENT

The consumer shall protect the equipment of the Cooperative on his premises and shall not interfere with or alter or permit interference with or alterations of the Cooperative's meter, or other property except by duly authorized representative of the Cooperative.

For any loss or damage to the property of the Cooperative due to or caused by or arising from carelessness, neglect, vandalism, or misuse by the consumer or other unauthorized person, the cost of the necessary replacement and repairs shall be paid for by the consumer.

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28. POINT OF DELIVERY

I. (A). Approval shall be obtained from the Cooeprative as to the proper location for a service entrance.

(B). Service entrance will be located on the exterior of the building nearest to the Cooperative's lines. Members desiring service entrance on any building at a location other than that closest to the Cooperative's lines, the additional estimated cost of such special construction as may be found necessary shall be borne by the member, and such cost shall be paid in advance before service can be connected.

(C). New service entrances, both overhead and underground, shall be installed in accordance with the National Electric Safety Code, and the Cooperative shall not connect until the required certificate of approval has been issued by the required Certified Electrical Inspector.

II. Point of service (or delivery) shall be that point where the facilities of the Cooperative join the member's facilities, irrespective of the location of the meter. All wiring and equipment beyond this point shall be supplied and maintained by the member. The member will, however, notify the Cooperative of any proposed changes in his equipment or wiring which materially increase or decrease load so the Cooperative may check its equipment to make certain it will accommodate the member's load requirements.

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29. SERVICE PERFORMED FOR MEMBERS

The Cooperative's personnel shall not while on duty make repairs or perform services to the member's equipment or property except in cases of emergency or to protect the public or member's person or property. When such emergency services are performed, the

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member shall be charged for such services at the rate of time and materials used.

30. METER READING

Each consumer (except those consumers whose meters are read by the Cooperative) receiving service shall read his meter and mark the reading on the combination bill/meter reading card which is mailed on or about the 25th day of each month.

A consumer's meter reading card should reach the Cooperative's office on or before the 10th day of the following month. If the consumer fails to read his meter for three (3) consecutive months, the Cooperative shall read the consumer's meter and a charge of $10.00 will be made to the member's account.

31. SEPARATE METER FOR EACH SERVICE

The Cooperative will normally furnish a single meter at the point of connection to the consumer's premises. Any consumer desiring service to two (2) or more separately metered points of connection to the system shall be billed separately at each point and registeration of such meters shall not be added for billing purposes. Only one residence may be served from each meter location.

The Cooperative may deny a consumer additional meter locations if in its opinion service can be rendered more effectively and economically from one meter location.

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32. FAILURE OF METER TO REGISTER

In the event a member's meter should fail to register, the member may be billed from the date of such failure based upon the level of consumption at that same time period the year before or some other equitable basis if he was not on service for the same time period in the year before or if the level of consumption for the same period of the year before does not properly reflect the estimated usage at the time the meter did not register.

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33. COLLECTION OF DELINQUENT ACCOUNTS

Should it become necessary for the Cooperative to send a service-man to the consumer's premises for collection of a delinquent account, there will be a service call charge of $10.00 per trip, as stated in the delinquent notice, which will be due and payable at the time such delinquent account is collected.

In the event a member is disconnected for non-payment of a delinquent account and request reconnection during regular working hours, a $10.00 service call charge shall be collected in advance. After regular working hours, there will be a special charge in the amount of $35.00 for reconnection.

34. CHECKS RETURNED - UNHONORED BY BANK

There will be a $5.00 charge for any check returned to the Cooperative by a bank for any reason. A return check shall be considered as non-payment of a bill.

The Cooperative shall have the right to refuse to accept checks in payment of an account from any consumer that has demonstrated poor credit risk by having two (2) or more checks returned unpaid from a bank for any reason. The Cooperative may not accept a check to pay for and redeem another check or accept a two (2) party check for cash or payment of an account.

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35. FRAUDULENT USE

When the Cooperative has discovered evidence that by fraudulent or illegal means, a consumer has obtained unauthorized service or has diverted this service for unauthorized use, or has obtained same without being properly measured, the service to the consumer may be disconnected immediately and without notice. The Cooperative shall not be required to restore service until the Cooperative has been reimbursed for the estimated amount of service rendered and the cost incurred by fraudulent use.

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If the time period during which fraudulent use occurred can not be readily identified from the Cooperative's records then the Cooperative may assume that fraudulent use has occurred since the time the meter or premises was last visited or inspected by the Cooperative's personnel.

It shall be the duty of the Cooperative before making service connections to a new consumer to ascertain the condition of the meter and service facilities for such consumer in order that prior fraudulent use of facilities, if any, will not be attributed to the new consumer and the new consumer shall be afforded the opportunity to be present at such inspection. The Cooperative shall not be required to render service to such consumer until all defects in the consumers owned portion of the service, if any, have been corrected.

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37. LINE EXTENSION TO MOBILE HOMES

A. All extensions up to 150 feet from the nearest facilities shall be made without charge, except for any charges required by the Cooperative for all consumers.

B. In counties requiring mobile home zoning, the consumer shall provide a certificate of approval from the county for the mobile home before construction shall begin.

C. All required fee charges and advances shall be paid before construction begins, and the mobile home must be set in place before service can be extended.

D. The consumer shall install his own trailer pole and it shall meet the requirements of the National Electric Safety Code as set forth in 807 KAR 5:041, Section 3.

E. Extensions greater than 150 feet from the nearest facility and up to 300 feet shall be made, provided the consumer shall pay the Cooperative a "customer advance for construction" of $50.00 in addition to any other charges required by the Cooperative for all consumers. The $50.00 advance shall be refunded at the end of one year if the service to the mobile home continues for that length of time.

F. For extensions greater then 300 feet and less than 1000 feet from the nearest facility, the Cooperative will charge an advance equal to the reasonable cost incurred by it for that portion of that service beyond 300 feet plus $50.00 in addition to any other charges required by the Cooperative for all consumers.

1. This advance shall be refunded to the consumer over a four (4) year period in equal amounts for each year the service is continued and the refund advance date begins with the billing date.

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2. If the service is disconnected for a period of sixty (60) days or should the mobile home be removed and another not take its place within sixty (60) days or be replaced by a permanent structure, the remainder of the advance shall be forfeited.

3. No refunds shall be made to any consumer who did not make the advance originally.

G. For extensions greater than 1000 feet the provisions, as stated in Part F, apply to the first 1000 feet. For that portion of the line over 1000 feet the Cooperative will charge the consumer the cost of construction for that portion of service beyond 1000 feet. The deposit for that portion over 1000 feet is subject to refund as follows:

Each year for a period of not less than ten (10) years, which shall be the refund period, the Cooperative shall refund to the customer or customers who paid for the excessive footage the cost of 1000 feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. For each consumer connected the utility shall refund to the consumer who paid for the extension that portion over 1000 feet but not to exceed the cost of 1000 feet per consumer. In no case shall the refund exceed the total cost of this portion in excess of 1000 feet of the extension.

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H. All mobile home meter poles shall be wired and inspected according to the National Code and shall be wired and inspected at the expense of the consumer.

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I. Any consumer who puts up a trailer line extension deposit and replaces his trailer with a permanent residence which is connected directly to the line for which the deposit was made, shall be refunded his deposit upon terms and conditions of the line extension policy for permanent residences.

38. RELOCATION OF LINES

When the Cooperative is requested to relocate its facilities for any reason, any expense involved will be paid by the firm, person or persons, requesting the relocation, unless one or more of the following conditions are met:

A. The relocation is made for the convenience of the Cooperative

B. The relocation will result in a substantial improvement in the Cooperative's facilities as determined by the Cooperative (these costs may be shared as determined by the Cooperative).

C. That the relocation is associated with other regularly scheduled conversion or construction and can be done at the same time with little or no additional cost to the Cooperative.

If the Cooperative is required to relocate, upgrade or modify its existing facilities in order to comply with safety or clearance codes due to actions of the conusmer (such as construction of facilities, landscape grading or other alterations affecting the Cooperative's property) any expenses incurred by the Cooperative will be paid by the firm, person or persons, causing the relocation or modification, unless one or more of the above conditions are met.

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39. A. NORMAL DISTRIBUTION LINE EXTENSION

An extension of 1000 feet or l;ess shall be made by the Cooperative to its existing distribution line without charge for a prospective customer who shall apply for and agree to use the service for one year or more and provides guarantee for such service. The "service drop" to the house from the distribution line at the last pole shall not be included in the foregoing measurements.

B. OTHER EXTENSIONS

1. When an extension of the Cooperative's line to serve a member or group of members amounts to more than 1000 feet per member, the total cost of the excessive footage over 1000 feet per member shall be deposited by the applicant or applicants based on the average estimated cost per foot of the total extension.

2. Each member receiving service under such extensions will be reimbursed under the following plan.

Each year for a period of not less than ten (10) years, which for the purpose of this rule shall be the refund period, the Cooperative shall refund to the member or members who paid for the excess footage the cost of 1000 feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed and not the extensions or laterals therefrom, but no case shall the total amount refunded exceed the amount paid the Cooperative. After the end of the refund period, no refund will be required to be made.

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3. For three-phase extensions the refund as described in 2 above will obly be made if the additional members connected are three-phase consumers. The normal line extension for three-phase consumers shall only be from existing 3Ø distribution lines. (V-phase line extensions shall be considered as three-phase.)

4. The member must grant an easement to the Cooperative to take off the original line extension.

5. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. If a deposit is made, the amount deposited shall be refunded to the applicant over a ten (10) year period under the following conditions:

   A. Each year for a period of not less than ten (10) years the utility shall refund to the applicant who paid for the extension a sum equivalent to the cost of 1000 feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded exceed the amount paid to the utility. After the end of the refund period from the completion of the extension no refund will be required to be made.

   B. All right-of-way must be cleared by the developer, to the satisfaction of the Cooperative, before construction begins.

   C. The developer must grant an easement to the Cooperative to take off the original line extension.

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40. UNDERGROUND ELECTRIC SERVICE

The purpose of this policy is to formulate Salt River RECC's requirements for underground electrical service, which will insure adequate service and safety to all persons engaged in the construction, maintenance, operations, and use of underground facilities and to the public in general.

A. APPLICATION. . . This policy shall only apply to underground supply facilities used in connection with the electric distribution within the definitions setout herein.

B. DEFINITIONS. . . The following words and terms, when used in this policy, shall have the meaning indicated.

C. APPLICANT. . . The developer, builder, or other person, partnership, association, corporation, or governmental agency applying for installation of underground electric distribution system.

D. BUILDING. . . A structure enclosed within exterior walls or fire walls, built, erected or framed of component structural parts and designed for less than 5 family occupancy.

E. MULTIPLE-OCCUPANCY BUILDING. . . A structure enclosed within exterior walls or fire walls, built, erected or framed of component structural parts and designed to contain 5 or more individual dwelling units.

F. DISTRIBUTION SYSTEM. . . Electric service facilities consisting of primary and secondary conductors, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

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G. SUBDIVISION. . . A tract of land which is divided into ten or more lots for the construction of new residential buildings, or for the construction of two or more new multiple-occupancy buildings.

H. COMMISSION. . . The Public Service Commission.

I. TRENCHING AND BACKFILLING. . . Opening and preparing the ditch for the installation of conductors including placing of race-ways under roadways, drive-ways, or paved areas; providing a dirt or sand bedding below and above conductors when required and backfill of trench to ground level.

J. RIGHT-OF-WAY AND EASEMENTS. . .

1. The Cooperative shall construct, own, operate, and maintain distribution lines only along easements, public streets, roads, and highways, which are by legal rights accessible to utility's equipment in which the utility has the legal right to occupy, and the public lands and private property across which right-of-ways and easements satisfactory to the Cooperative are provided without cost or condemnation by the Cooperative.

2. Right-of-way and easements suitable to the Cooperative for the underground distribution facilities must be furnished by applicant in reasonable time to meet service requirements. The applicant shall make the area in which the underground distribution facilities are to be located accessible to the Cooperative's equipment and remove all obstructions from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade and maintain clearing and grading during construction by the Cooperative. Suitable land rights shall be granted to the Cooperative, obligating the applicant and subsequent property owner to provide continuing access to the

utility for operation, maintenance, or replacement of its facilities and to prevent any encroachment in the utility's easement of substantial changes in grade or elevation thereof.

K. INSTALLATION OF UNDERGROUND DISTRIBUTION SYSTEM WITHIN A NEW SUBDIVISION . . .

1. Where appropriate contractual arrangements have been made, the Cooperative shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials, in which, in its judgment, will assure that the property owners will receive safe and adequate electric service for the foreseeable future.

2. All single phase conductors installed by the utility shall be underground. Appurtenances such as transformers, pedestal mounted terminals, switching equipment, and meter cabinets may be placed above the ground.

3. Three-phase primary mains or feeders required in a subdivision to supply local distribution or service individual three-phase loads, may be overhead unless underground is required by governmental authority or chosen by the applicant, and either of which case the differential cost of underground shall be borne by the applicant.

4. If the applicant has complied with the requirements herein and has given the Cooperative not less than 120 days written notice prior to the anticipated date of completion (ie., ready for occupancy) of the first building in the subdivision, the Cooperative shall complete the installation 30 days prior to the estimated

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completion date. (subject to weather, and ground conditions and availability of materials and barring extra-ordinary or emergency circumstances beyond the reasonable control of the Cooperative.) However, nothing in this policy shall be interpreted to require the Cooperative to extend this service to portions of a subdivision not under active development.

5. The applicant shall be required to make a non-refundable payment to the Company equal to an "estimated average cost differential", if any, between the average or representative cost of an underground distribution system in residential subdivision and of the equivalent overhead distribution system within the utility's service area.

6. Applicant may be required to deposit the entire estimated cost of extension. If this is done, the amount deposited in excess of normal charge for the underground extension, as provided in paragraph 5 above, shall be refunded to the applicant over a ten (10) year period as provided below:

   A. Each year for a period of not less than ten (10) years the utility shall refund to the applicant who paid for the extension a sum equivalent to the cost of 1000 feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded exceed the amount paid to the utility. After the end of the refund period from the completion of the extension no refund will be required to be made.

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7. The applicant shall be required to perform all necessary trenching and backfilling of ditches and manholds in accordance with the Cooperative's specifications. Should the applicant desire, the Company will perform or have performed by an outside contractor, all trenching and backfilling provided applicant agrees to reimburse the Company for actual expenses incurred.

8. The service conductors from the property line to the house are to be installed, owned and maintained by the consumer. The Cooperative shall credit the applicant $50.00 or the equivalent cost of an overhead line to the applicant's meter base, whichever is greater. Service lines to the house shall be installed and ready for inspection at the same time as the residence. The trench is to be left open until inspection has been made.

9. Plan for the location of all facilities to be installed shall be approved by the Cooperative and applicant prior to construction. Alterations in plans by the applicant which require additional cost of installation or construction, shall be at the sole expense of the applicant.

10. The Cooperative shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the applicant.

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11. The charges specified in these rules are based on the premises that each applicant will co-operate with the utility in an effort to keep the cost of construction and installation of underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to installation of the facilities.

12. All electric facilities shall be installed and constructed to comply with the rules and regulations of the Public Service Commission, National Electric Safety Code and Salt River RECC's specifications.

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L. For all other developments that do not meet the conditions set forth in these rules above, underground distribution will be installed provided an advance to the Cooperative is made in an amount equal to the difference between the Company's estimated cost of underground facilities and overhead facilities, which it would otherwise provide.

M. In unusual circumstances, when the application of these rules appear impractical or unjust to either party, or discriminatory to other consumers, the Cooperative or applicant shall refer the matter to the Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing of construction.

41. ELECTRIC SERVICE TO CAMPS, PUMPS, BARNS, RECREATIONAL SITES, ETC.

Customers requiring service to pumps, barns, camps, recreational sites, etc. and other low usage services within 150 feet of existing required voltage will be served similar to permanent dwellings. Those over 150 feet will be required to deposit with the Cooperative an amount to cover the cost of labor, materials, and overhead for construction of the electric facilities. The deposit shall be made prior to the construction of the electric facilities. Such deposit shall be returned to the consumer based

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on the amount paid annually for electric service in the amount of 20% of the total annual billing for a period not to exceed ten (10) years. If the service is disconnected for a period of 60 days, the remainder of the advance shall be forfeited.

If any permanent facility (other than low usage service as defined by this regulation) is connected directly to the line for which this deposit was paid, the deposit shall be refunded under Item No. 39.

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The Cooperative requires that the right-of-way be cleared by the consumer, to the satisfaction of the Cooeprative, to any new facility before construction begins.

42. METER TESTING

Each and every watt-hour meter installed by the Cooperative on the consumer's premises shall be tested periodically without charge to the consumer. Any other request for meter test shall be complied with by the Cooperative only if the consumer agrees to pay the appropriate meter test fee as listed below. Such request may not be made more frequently than once every 12 months. If the meter test more than 2% fast, the meter test fee shall be returned to the consumer and a credit, based on the Public Service Commission's rules and regulations shall be issued by the Cooperative to the consumer. If the meter is more than 2% slow, the member may be billed for the difference based on the test as per the Public Service Commission's rules and regulations. If the meter test within the Commission's limits, the meter test fee will be retained by the Cooperative to off-set the cost of the meter test.

METER TEST FEE:

Single-Phase Residential Meter	$10.00
Three-Phase Self-Contained Meter	$30.00
Three-Phase Self-Contained Meter With Demand	$40.00
Field Test of Meter (meters requiring instrument transformers)	$60.00

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43. TAXES

Pursuant to the authority vested in KRS 139.210 there shall be added to the bill of all applicable subscribers, the sales and usage tax imposed by KRS 139.200. The utility gross receipts license tax for schools authorized by KRS 160.613 shall be added to all applicable subscribers' bill in accordance with KRS 160.617, which authorizes a rate increase for the school tax.

44. VOLTAGE FLUCTUATIONS CAUSED BY MEMBERS OR CONSUMERS

Electric service must not be used in such a manner as to cause unusual fluctuation or disturbances to the distribution system. The Cooperative may require the member or consumer, at his own expense, to install suitable apparatus which will reasonably limit such fluctuation.

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45. CONFLICT

In case of conflict between provisions of any rate schedule and the schedule of rules and regulations, the rate schedule shall apply.

46. FILING AND POSTING

A copy of these rules and regulations, together with a copy of the Cooperative's schedule of rates and charges, shall be kept open for inspection at the offices of the Cooperative.

47. RIGHT TO REFUSE SERVICE

The Cooperative shall reserve the right to refuse service to any applicant indebted to the Cooperative for any reason.

48. CLASSIFICATION OF SERVICE

Classification for consumers for accounting purpose is in accordance with prescribed REA Manual of Accounts.

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49. STANDARD NOMINAL VOLTAGES

The standard nominal voltages for single and poly-phase services throughout the distribution system are as specified below: Availability of a service voltage (s) is contingent upon existing service voltage(s) and other system parameters.

Single-Phase	(Volts)
120/240	
240/480	
7,200	

Three-Phase	(Volts)
120/208Y	
240 Δ	
240 Δ , 120/240 lighting	
277/480Y	
480 Δ	
7200/12,470Y	

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51. ESTIMATED LINE CONSTRUCTION COSTS

Any price quotation for line relocation extension or differential costs (excluding underground "estimated average cost differential") given by the Cooperative to a consumer shall be valid for a period of not to exceed 60 days, after which time the Cooperative may update such estimate in order to more accurately reflect actual costs.

52. USE OF COOPERATIVE PROPERTY

No consumer may attach or afix to any of the Cooperative's poles or equipment any hardware, appurtenances, fixtures, equipment or other items without the expressed written consent of the Cooperative.

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ESTIMATED AVERAGE COST DIFFERENTIAL

A unit charge of $4.14 per foot of primary conductor will be made by applicant where houses can be served from both sides of the primary line. Where houses can be served from only one side of the primary line, the unit charge will be doubled to $8.28 per foot of primary conductor. These prices are based on a requirement that the applicant open and close all ditches and manholes.

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Issued By KENNETH A. HAZELWOOD
Name of Officer

Date Effective OCTOBER 1, 1985

Title GENERAL MANAGER

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