SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

RULES AND REGULATIONS

SECTION II - SERVICE PROCEDURES

2.10 APPLICATION FOR SERVICE

Each prospective member desiring electric service will be required to sign the Cooperative's form "Application for Membership and for Electric Service" before service is supplied by the Cooperative and provide the Cooperative with necessary easements or right-of-way permits upon their property.

2.20 MEMBERSHIP FEE

The membership fee in the Cooperative shall be $25.00 (twenty-five dollars). 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 discontinued, which will automatically terminate the membership.

2.30 RIGHT OF ACCESS

The Cooperative's identified employees or its agents shall have access to member's premises at all reasonable times for the purpose of meter reading, testing, repairing, inspecting, removing or exchanging any and all equipment belonging to the Cooperative.

2.31 RESALE OF POWER BY MEMBERS

All purchased electric service used on the premises of the member shall be supplied exclusively by the Cooperative, and the member shall not directly or indirectly sell, sublet, or otherwise dispose of the electric service or any part thereof.

2.40 MEMBER'S DISCONTINUANCE OF SERVICE

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

As an alternative the Consumer may request a disconnection of service by telephone, provided, the person calling can identify the account number and the Consumers' Social Security number and any other information deemed necessary to reasonably assure that the request is a proper one.

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Issued by authority of an order of the Public Service Commission of Kentucky in Case No._____ dated _____.

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SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

RULES AND REGULATIONS

2.41 DISCONTINUANCE OF SERVICE BY COOPERATIVE

The Cooperative may/shall refuse or discontinue to serve a member under the following conditions (Also see Section 4.40 for requirements):

(a) For non-compliance with its rules and regulations, pursuant to 807 KAR 5:006, Section 14(1)(e).

(b) When a dangerous condition is found to exist on the member's premises.

(c) When a member refuses or neglects to provide reasonable access to the premises for the purpose of installation, operation, meter reading, inspecting, maintenance or removal of Cooperative property, pursuant to 807 KAR 5:006, Section 14(1)(c).

(d) For non-payment for service furnished or other tariffed charges in accordance with 807 KAR 5:006, Section 14(1)(e).

(e) For failure to comply with the provisions of the wiring code pursuant to 807 KAR 5:006, Section 14(1)(e).

(f) For fraudulent or illegal use of service. When the Cooperative has discovered evidence that by fraudulent or illegal means a member has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to the customer may be discontinued without notice. The Cooperative will not restore service until the customer has complied with all rules of the Cooperative and regulations of the Public Service Commission and the Cooperative has been reimbursed for the estimated amount of the service rendered, including the initial disconnection and the cost to the Cooperative incurred by reason of the fraudulent use. The discontinuance of service to a member for any cause stated in this rule does not release the member of his obligations to all debts due. Within 24 hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission.

2.50 SPECIAL CHARGES

The Cooperative may make a charge of $24.00 for each trip made during regular working hours (I)
or $104.00 for each trip made after or before regular working hours for any service trip required (I)
by a member to restore electric service when it is determined that the service interruption was caused by a defect in the member's wiring or equipment and is not the fault of the Cooperative.

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Issued by authority of an order of the Public Service Commission of Kentucky in Case No.92-520 dated March 8, 1993.

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FOR: ENTIRE TERRITORY SERVED
P.S.C. KY. NO. 7
1ST REVISED SHEET NO. R-5
CANCELLING P.S.C. KY. NO.7
ORIGINAL SHEET NO.R-5

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

RULES AND REGULATIONS

2.60 CONNECT, RECONNECT, COLLECTION AND METER READING CHARGES

(a) The Cooperative will make no charge for connecting service to the new member's installation of service provided the connection is made during regular working hours.

(b) The Cooperative may make a service charge of $24.00 for the following: (I)

1. A trip to collect a past due bill, or disconnect, if not collected.

2. A trip to reconnect a consumer who has been disconnected one or more times within the preceding twelve months.

3. If due to consumers negligence or refusal to grant an identified Cooperative agent or contract meter reader access for meter reading and a Cooperative employee is dispatched to read the meter and/or disconnect.

(c) In addition to a service charge in (b) above, a charge of $80.00 shall also apply if the consumer requests a reconnect before or after regular working hours. (I)

2.70 RETURN CHECK CHARGE

The Cooperative will make a charge of $11.00 for each check returned unpaid by the bank for any reason. The returned check charge will be added to the amount of the return check and be subject to the conditions set forth in Section 5.50, Unpaid Checks from Consumers. (I)

2.80 SERVICE CHARGES FOR TEMPORARY SERVICE

Consumers requiring temporary service may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, an amount will be required to cover estimated consumption of electricity. All such costs will be paid in advance. Any balance remaining at the end of temporary service will be refunded. (This rule applies, but not limited, to carnivals, fairs, voting booths, temporary construction projects, etc.) Temporary line extension requirements are in Section 6.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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FOR: ENTIRE TERRITORY SERVED
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CANCELLING P.S.C. KY. NO.7
ORIGINAL SHEET NO. R-6

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

RULES AND REGULATIONS

SECTION III - METERS

3.10 METER TESTS

(a) All new meters shall be checked for accuracy before installation. The Cooperative will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy and to conform with the regulations of the Public Service Commission.

(b) The Cooperative will make additional tests of meters at the request of the member, provided the member does not request such test more frequently than once in twelve (12) months and upon payment of a fee for obtaining and testing of $45.00 paid in advance which is refundable to consumer only if the meter does not test within the 2% fast or slow range. (I)

(c) If test results on a consumer's meter show an average error greater than two percent (2%) fast or slow, or if a consumer has been incorrectly billed for any other reason, except in an instance where a utility has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a consumer, the cooperative shall immediately determine the period during which the error has existed, and shall recompute and adjust the consumer's bill to either provide a refund to the consumer or collect an additional amount of revenue from the underbilled consumer. The Cooperative shall readjust the account based upon the period during which the error is known to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period shall be estimated using such data as elapsed time since the last meter test, if applicable, and historical usage data for the consumer. If that data is not available, the average usage of similar consumer loads shall be used for comparison purposes in calculating the time period.

If the Consumer and the Cooperative are unable to agree on an estimate of the time period during which the error existed, the Kentucky Public Service Commission shall determine the issue.

In all instances of consumer overbilling, the consumer's account shall be credited or the overbilled amount refunded at the request of the consumer within thirty (30) days after final meter test results. The Cooperative shall not require consumer repayment of any underbilling to be made over a period shorter than a period coextensive with the underbilling.

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FOR: ENTIRE TERRITORY SERVED
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1ST REVISED SHEET NO. R-8
CANCELLING P.S.C. KY. NO.7
ORIGINAL SHEET NO. R-8

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

RULES AND REGULATIONS

SECTION IV - CONSUMER EQUIPMENT

4.10 POINT OF DELIVERY

The point of delivery is the point as designated by the Cooperative on member's premises where current is to be delivered to building or premises, ordinarily the meter. All wiring and equipment beyond this point of delivery 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 will materially increase or decrease his load so the Cooperative may check its equipment to make certain it will accommodate the consumer's load requirements.

Should a consumer insist that his/her point of delivery be at a different location than that selected by the Cooperative, the consumer shall be required to pay an Aid to Construction equal to the additional cost incurred by the Cooperative to serve the new delivery point.

4.20 MEMBER'S WIRING AND POINT OF ATTACHMENT

(a) All electrical wiring on the member's premises shall conform to all applicable codes and rules and regulations; namely,

1. The National Electrical Code.
2. Any state, county or municipal code where and when applicable.
3. The Uniform Wiring Code, so long as it is as strict or more strict in its requirements than the National Electrical Code.

(b) If any consumer does not have an appropriate point of attachment and a meter pole is requested, there shall be a payment of $100, non-refundable, as an Aid to Construction to help offset this extra cost.

4.30 INSPECTION

All electrical wiring in a building or other facilities must be inspected for compliance with all applicable Electric Codes by an inspector licensed by the State Fire Marshall before the first connection for service.

(a) For Buildings with Service Entrances of 200 Ampere or Less - the inspection fee shall be $50.00. All buildings shall receive a rough-in and a final inspection. (Two trips required)

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(b) For Service Entrances Greater than 200 Ampere - the inspection fee shall be $50.00 plus $2.00 per circuit and includes a rough-in and a final inspection. (Two trips required).

(c) Mobile Homes and similar services including, but not limited to Oil Wells, Barns, Service Changes, Temporary Services and turn on for testing (not for occupancy) - The inspection fee shall be $25.00 and the inspection will include the pole service, the supply feeder, and any controls. (Minimum one trip required) (T)

(d) For all reinspections or additional trips the fee shall be determined by the above amounts, on a per-trip basis. (T)

(e) Large Commercial and Industrial - The inspection cost shall be determined as being 1% of the first $100,000 electrical installation price and 1/2 of 1% for over $100,000.

4.40 DANGEROUS CONDITION OF CONSUMER ELECTRICAL EQUIPMENT

If a dangerous condition relating to the utility's service which could subject any person to imminent harm or result in substantial damage to the property of the utility or others, is found to exist on the consumers premises, the service shall be refused or terminated without advance notice. The Cooperative shall notify the customer immediately in writing and, if possible, orally of the reasons for the termination or refusal. Such notice shall be recorded by the Cooperative and shall include the corrective action to be taken by the consumer of Cooperative before service can be restored or provided.

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SOMERSET, KENTUCKY 42501

RULES AND REGULATIONS

SECTION V - ELECTRIC BILLING

5.10 BILLING

(a) Members will receive a statement for electric service monthly on a date to be determined by the Board of Directors for service rendered for approximately a thirty-day period ending about the same day of the preceding month. All statements are due and payable upon receipt and shall be paid at the office of the Cooperative on or before the due date as shown on bill. Failure to receive electrical statement will not release the member from payment obligation.

(b) Bills rendered for electric service shall be in the format as shown in Appendix F of these Rules, Regulations and Tariffs.

5.11 DISCONNECTION OF SERVICE FOR NONPAYMENT

(a) Should the electric bill not be paid on the due date, the Cooperative may at any time thereafter on a ten (10) day written notice to the consumer, with a disconnect date stated, disconnect the service. When termination (Past Due) notice is mailed to the last known address of the consumer, the termination date will not be before 27 days have elapsed since the date of the original bill. The termination date will not be affected by the rendering of any subsequent bill.

(b) A residential consumer may delay the termination date by 30 days providing the consumer presents to the cooperative prior to disconnect date a signed statement by a physician, registered nurse or public health officer certifying that termination of service will aggravate a debilitating illness or infirmity on the affected premises. The cooperative will refuse to grant consecutive extensions for medical extensions beyond the original thirty (30) days unless a new certificate is presented and the consumer agrees to a written payment plan.

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SOMERSET, KENTUCKY 42501

RULES AND REGULATIONS

5.20 TAXES

The Cooperative shall add to the bills of all applicable members the Kentucky Sales and Use Tax, any utility gross receipts license tax for schools or any other tax or levy that may be legally imposed on the Cooperative that is measured or determined by sales or receipts.

5.30 METER READING

(a) The Cooperative provides meter reading services to its members without extra charge. The meters are read on or about the same day of each month, with the exception of seasonal type accounts and certain accounts which are inaccessible at certain times of the year. In those cases the meters are read twice per year, and estimated for the other periods.

(b) Estimated bills are based on the average prior twelve (12) months usage, or in the case of a new consumer, with no KWH usage history, at the average usage for the class of service received.

5.31 BILLING ADJUSTMENTS TO STANDARD PERIODS

The first billing of an account for the "Consumer Charge" shall be prorated based on time actually used. This proration does not apply to demand charges or KWH charges or any special minimum bill.

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