



**Shenandoah Valley
Electric Cooperative**

Mt. Crawford, Virginia 22841

TERMS AND CONDITIONS

for

**Providing
Electric Distribution Service**

**As filed with the
Virginia State Corporation Commission**

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ELECTRIC COOPERATIVE
Mt. Crawford, Virginia 22841**

**TERMS AND CONDITIONS
for
Providing Electric Distribution Service**

**As filed with the
Virginia State Corporation Commission**

**Shenandoah Valley
Electric Cooperative
P. O. Box 236
Mt. Crawford, VA 22841-0236
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**SECTION I
INTRODUCTION**

This filing sets forth the terms and conditions under which electric distribution service is supplied to its Members/Customers by Shenandoah Valley Electric Cooperative within the designated service territory and is on file with the Virginia State Corporation Commission. Changes in these terms and conditions may be made from time to time to meet new or unforeseen conditions by the Cooperative's Board of Directors. The rules and regulations contained herein are not to be considered complete in every detail for furnishing electric distribution service, but are intended to be a general outline of the practices of the Cooperative.

The Cooperative, upon request, will provide any Applicant or Member with a copy of the rate schedules and terms and conditions under which distribution service will be supplied.

**SECTION II
DEFINITIONS**

1. Applicant - means any person, firm, corporation, or public body requesting electric distribution service from the Cooperative.
2. Commission - refers to the Virginia State Corporation Commission.
3. Customer - refers to any Member and/or patron of the Cooperative receiving, or having received electric distribution service.
4. Delivery Point - the point where the Cooperative's equipment for supplying electric energy is connected to the Members' equipment for receiving the electric energy, unless otherwise specified in a written agreement with the Member.
5. "Distribute", "Distributing" or "Distribution of" Electric Energy - means the transfer of electric energy through a distribution system to a Customer
6. Inspection Authority - the authorized representative of any federal, state, local government, agency or political subdivision, having lawful authority to enforce federal, state, or local building codes.

7. Member - means any person, firm, corporation, or public body who has complied with the terms and conditions of service, and the rules and regulations of the Cooperative, whose application for membership has been accepted by the Cooperative and who is being supplied electric distribution service by the Cooperative.

8. Shenandoah Valley Electric Cooperative - a Cooperative corporation operating under the Utility Consumer Services Cooperative Act.

SECTION III **BECOMING A MEMBER**

Any person, firm, corporation, or public body, who controls, by ownership or lease, the property to be served, may become a Member of the Cooperative by:

- Executing the Membership Application and/or Service Contract.
- Paying the membership fee (Schedule F-A).
- Agreeing to purchase electric distribution service from the Cooperative.
- Agreeing to comply with and be bound by the Certificate of Incorporation of the Cooperative, the Bylaws and any Amendments thereto, and such rules and regulations that may be adopted from time to time by the Board of Directors.

SECTION IV **REQUIREMENTS FOR SECURING** **ELECTRIC DISTRIBUTION SERVICE**

A. APPLICATION or AGREEMENT

No person shall receive electric distribution service until that person has signed the Cooperative's approved form "Application for Membership" and/or its approved form "Agreement for the Purchase of Electric Distribution Service", and has paid a membership fee. Such payment shall make that person eligible for electric distribution service on the premises referred to in the application. Any person or entity owing a debt to the Cooperative shall not be allowed to join in the Cooperative or receive service from the Cooperative until the debt has been paid in full or arrangements satisfactory to the Cooperative have been made for the satisfaction of the outstanding debt.

Applicants must contact the Cooperative before service will be made available. Under certain conditions the Cooperative may require the Applicant to sign a contract or a letter of agreement where the monthly minimum is higher than specified under the applicable

rate schedule. Whether or not a written agreement covering the supply of electricity is executed, the Applicant, by accepting the electricity, agrees to be bound by the applicable rates, terms, and conditions of service.

The Cooperative reserves the right to require the Applicant to establish that the Applicant is the owner or bonafide lessee of the premises and to require owners or bonafide lessees to execute the Application for Membership and/or the Agreement for the Purchase of Electric Distribution Service.

B. DEPOSITS

1. The Cooperative may require the Applicant or Customer to deposit with it initially and from time to time, as a guarantee of payment for electric distribution service used, such amount as, in the Cooperative's judgment, will secure it from loss. The amount of this deposit shall not be greater than an estimated billing for the two highest consecutive months' service.

The Cooperative is not bound to supply electricity until these conditions are fulfilled and it may disconnect with ten (10) days written notice to the Customer if the guarantee or increased guarantee is not given when required.

2. Whenever the required deposit from any Residential Customer exceeds the sum of One Hundred Dollars (\$100.00), the Customer shall be permitted to pay the required deposit in three consecutive equal monthly installments provided, however, that the Cooperative shall have the discretion to allow payment of any deposit over a longer period of time to avoid undue hardship.

3. The Cooperative will pay interest on deposits held longer than ninety (90) days at a rate which shall be determined by the Virginia State Corporation Commission annually.

4. The Customer shall receive payment of all annually (12 months) accrued interest by having the interest credited to his account.

5. The Cooperative will return/credit the deposit after the Customer has established twelve consecutive months of a satisfactory credit record after the deposit requirement is met. The criteria used to determine satisfactory credit shall be that an account must have had less than four (4) late payments in the last 12 month period and received no notices of pending termination for non-payment or not have been disconnected for non-payment, or not had a payment returned (returned check).

6. All remaining deposits plus earned interest will be returned/credited to the Customer at the

termination of electric distribution service, after all indebtedness to the Cooperative has been paid. The Cooperative shall have a reasonable time to disconnect service and to ascertain that all obligations of the Customer have been fully performed before being required to return any deposit.

7. Additional deposits may be required resulting from Customer damage to Cooperative equipment as outlined Section IX.C (Meter Tampering, Current Diversion or Unauthorized Reconnection).

C. FEES

The Applicant shall pay all other required fee(s), deposit(s), and charge(s) as per Schedule F-Fees.

D. RATE SCHEDULE SELECTION

When a Customer's load meets the conditions of two or more schedules, the Customer shall be responsible for the choice of the schedule. The Cooperative will assist in the selection at the Customer's request. However, except as provided by law, the responsibility of selection shall rest with the Customer.

E. RIGHT-OF-WAY

The Cooperative shall determine the route of the line based on the least cost method and utility accepted routing practice. The Applicant shall, at no cost to the Cooperative, grant and/or furnish all valid right-of-way easements satisfactory to the Cooperative and all other permits necessary to provide electric distribution service to the Customer conveyed on Cooperative approved forms. The Applicant shall give the Cooperative or its agent's access to its equipment and facilities, and the right to construct, operate and maintain its facilities. The Cooperative shall not be required to supply electricity until a reasonable time has elapsed after the Cooperative has obtained all necessary applications, right-of-way easements and/or permits.

See Section VI. A. 4. for property not in control of the Member.

F. CONNECTION PROVISIONS

The Applicant shall make proper provisions for the connection of electric distribution service.

G. CUSTOMER WIRING

The wiring must conform to the National Electrical Code and the specifications of the Cooperative. Before connection of service, if covered by the local building code, the Customer's installation must be approved by the Inspection Authority. In no

event shall the Cooperative be under any obligation to inspect wiring or appliances of the Applicant, but where the Cooperative has reason to believe wiring or appliances of the Applicant do not comply with recognized requirements, the Cooperative may refuse to supply electricity to the Applicant. The Customer shall be responsible for notifying the Cooperative of any plans for adding appliances, equipment, and/or motors, which might overload or impair the electrical service or the facilities of the Cooperative. It is recommended that in the installation of a wiring system, the Applicant give consideration to all foreseeable future uses and install service entrance conductors and equipment of such capacity as to carry the maximum anticipated future loads.

H. ELECTRIC DISTRIBUTION SERVICE LIMITATIONS

To eliminate the possibility of error or loss, the Applicant or Customer, before purchasing motors or other equipment, or undertaking to install wiring, shall secure from the Cooperative all necessary data relating to the characteristics of the electricity which will be supplied. The Cooperative reserves the right to set limitations on current inrush characteristics, demand, power factor, or any other characteristic of motors, wiring, or any other equipment in order to protect the quality, reliability, and/or safety of its system, and/or the service to other Customers.

I. LOCATION AND MAINTENANCE OF COOPERATIVE'S EQUIPMENT

The Cooperative shall have the right to erect on the property of the Applicant any Cooperative facilities that are necessary in supplying electricity to the Applicant. The Applicant shall provide suitable space for the installation of the necessary metering apparatus.

SECTION V
USE OF ELECTRIC DISTRIBUTION SERVICE

A. COOPERATIVE AS SOLE DISTRIBUTOR

The Applicant and/or Customer agree that no electricity, other than that distributed by the Cooperative, shall be distributed over the Cooperative's distribution facilities to operate the Applicant's and/or Customer's equipment without previous written notice to and consent of the Cooperative. However, on and after the implementation of customer choice in the Cooperative's service territory, to the extent that the Cooperative's Applicants and/or Customers

are allowed to select a competitive service provider and/or aggregator of electricity, the contract made between the Cooperative and the competitive service provider shall satisfy this requirement, and the Applicant and/or Customer need not provide separate written notice to and obtain consent from the Cooperative to receive competitive services from a competitive service provider and/or aggregator.

B. NOTIFICATION AND APPROVAL OF UNUSUAL EQUIPMENT ADDED BY CUSTOMER

The Customer shall notify and obtain the consent of the Cooperative before the addition of any unusual equipment or appliances. Such unusual equipment includes, but is not limited to: single phase motors over 10 horsepower, three phase motors, generators or automated process' equipment, and welders. The Cooperative reserves the right to charge for any in-depth studies required in order to determine the effect of the apparatus on the Cooperative's system. The Cooperative reserves the right to refuse to supply electric distribution service to any piece of equipment whose operation is considered to be a safety hazard or detrimental to the Cooperative's electrical system or any of its Customers. Furthermore, the Cooperative reserves the right to discontinue electric distribution service to any Customer operating such equipment until such time as the Customer conforms to the Cooperative's regulations.

C. CUSTOMER GENERATING EQUIPMENT

1. Interconnection

a. A switch, or other approved disconnecting means, must be used to prevent possible injury. Such disconnecting means installation is subject to the inspection and approval of the Cooperative.

b. Detailed plans showing the equipment to be used, the load transfer arrangement and the electrical connections should be submitted to the Cooperative for approval.

c. Where auxiliary service is provided by the Cooperative, or where an emergency source of supply is provided by the Customer, parallel operation of the Customer's generating equipment with the Cooperative's system is not allowed except where specifically approved by the Cooperative.

2. Co-Generation and Small Power Production Facilities:

Any qualifying co-generation or small power production facility as designated by the Federal Energy Regulatory Commission (FERC) shall be dealt with in accordance with applicable FERC orders and legal and regulatory standards.

3. Net Metering Customer

Any qualifying net metering Customer as designated by Virginia Code § 56-594 shall be dealt with in accordance with applicable legal and regulatory State standards.

D. SUITABILITY OF APPARATUS TO BE ADDED

The Cooperative reserves the right, but shall not have the duty, to determine the suitability of any apparatus, or appliance to be connected to its lines, and to determine whether the operation of such shall be detrimental to its general supply of electricity. The Cooperative further reserves the right to refuse to supply, or to discontinue the supply of electricity until such time as the Customer shall conform to the Cooperative's regulations.

E. ELECTRIC DISTRIBUTION SERVICE FOR CUSTOMER'S USE ONLY

The Cooperative will furnish electric distribution service to the Customer for use only for the premises occupied through ownership or lease by the Customer. This service shall not be remetered, submetered, or otherwise controlled by the Customer for resale or assignment to others, except as provided by the Code of Virginia.

F. LIABILITY OF COOPERATIVE

The electricity supplied under any agreement is distributed by the Cooperative and purchased by the Customer upon the express condition that, after it passes the metering equipment of the Cooperative, or other point of delivery, it becomes the property of the Customer to be used only as herein provided. The Cooperative shall not, in any event, be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electricity on the Customer's premises or elsewhere, after it passes the Cooperative's metering equipment, or other point of delivery; or for any loss or damage resulting from the presence, character or condition of the wires or appliances of the Customer.

G. INTERRUPTION OF SERVICE

The Cooperative will endeavor to maintain, as nearly as practical, full continuity of service but it cannot guarantee uninterrupted service. It is the Customer's responsibility to provide protection for his/her electric motors, apparatus, wiring and other equipment from the effects of unavoidable interruption or abnormal service supply conditions, such as low voltage, high voltage, single-phasing, lightning damage

or frequency change. The Cooperative will not be held responsible for losses experienced by the Customer due to his/her failure to provide such protection.

Without liability to the Cooperative, service may be interrupted or become abnormal because of any of the following causes:

1. Storms, accidents, equipment failure and/or acts of God.
2. Failure of power supplier, shortage in power supplies or capacity necessitating reduction in service or the implementation of rotating blackouts. When rotating blackouts are required, the Cooperative may, without notice and without incurring liability, implement them on the basis of what is, in the Cooperative's opinion, reasonably necessary to minimize adverse impact on the public health and safety and to facilitate restoration of normal service to all Customers at the earliest time practical.
3. To mitigate or prevent an adverse condition or disturbance on the system of the Cooperative, or on any other system directly or indirectly interconnected with it, which condition or disturbance requires automatic or manual interruption of the supply of electricity to some Customers or areas in order to limit the extent or duration thereof, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, the Cooperative may, without incurring liability, take such action as appears reasonably necessary.
4. By order of governmental authorities.
5. To make repairs, to limit or reduce the duration of interruptions, or to prevent damage to the Customer's or the Cooperative's equipment.
6. Civil disorder, strikes, or other labor trouble, riot, insurrection, war, fire or any other cause where the Cooperative believes it is necessary to de-energize part of its facilities for the protection of the public, its employees, or its electric system.

Upon correction of those conditions, that caused the interruption, the Cooperative will be diligent in re-energizing its facilities when it is safe to do so. Upon any interruption of service, or any abnormal service, the Customer should notify the Cooperative as soon as possible. The Cooperative, in most cases, has no other way of knowing of interrupted or abnormal service.

H. CUSTOMER'S RESPONSIBILITY

1. The Customer shall be responsible for providing the Cooperative and/or its agent access to the Cooperative property installed on the Customers premises.
2. The Customer shall be responsible at all

times for the safekeeping of all Cooperative property installed on the Customer's premises and to that end shall give no one, except authorized Cooperative employees or its agents access to such property.

3. The Customer may be liable for the cost of repairs or damage done to the Cooperative's property on the Customer's premises resulting from the negligence of, or misuse by others than Cooperative employees and/or its agents.

4. The Customer shall be responsible for the maintenance and repair of the Customer's wiring and equipment. Additionally, it is the Customer's responsibility to provide adequate protection for their motors or other equipment as defined in the National Electrical Code. Should the Customer report trouble with the supply of electricity, the Cooperative will endeavor to respond with reasonable dispatch to such calls with the purpose of correcting only such trouble as may be in the Cooperative's equipment supplying said Customer. If after investigation, it is determined that the Cooperative's equipment is not at fault, a service charge (Schedule F-I) will be made.

5. The Cooperative retains responsibility only with respect to the actions of its employees and/or its agents in connection with property owned by the Cooperative.

6. The Customer shall indemnify, save harmless, and defend the Cooperative against all claims, demands, costs or expenses, for loss, damage, or injury to persons or property in any manner directly or indirectly arising from or connected with, or growing out of the use of electricity by the Customer at or on his side of the point of attachment.

SECTION VI EXTENSION OF FACILITIES

The policy of the Cooperative is to furnish adequate distribution electric service to all qualified Applicants within the Cooperative's service area. The service shall be furnished at the Cooperative's published rates as approved by the State Corporation Commission of Virginia and in accordance with the following line extension policy.

A. GENERAL

1. The standard construction practices of the Cooperative shall be overhead construction. Where the Applicant requests underground facilities and the Cooperative agrees, the cost differential between underground and overhead extensions shall be charged to the Applicant in addition to other charges that apply.

2. The Cooperative shall not be required to make any electric line extension until the Customer to be supplied from such line extension has signed all applications and/or agreements and fulfilled such other conditions for the connection of electricity as may be required by the Cooperative and until all permanent premises to be supplied have been wired and made ready for service.

3. The Cooperative reserves the right to select underground line facilities, when it determines it is in the best interest of the Cooperative. If the Cooperative selects such an underground extension, and it results in an increased cost, the Cooperative shall bear the increased cost and the Applicant shall pay the contribution in aid of construction required in B.1.a. and B.1.b. for his selected extension.

4. It shall be the Applicant's responsibility to secure and/or otherwise provide, at no cost to the Cooperative, a right-of-way acceptable to the Cooperative. Where desirable or necessary, the Cooperative may assist in the right-of-way acquisition process at the Applicant's expense.

5. At the discretion of the Cooperative, the Applicant shall be responsible for clearing the rights-of-way and/or trimming yard trees to the satisfaction of the Cooperative where the proposed facilities extend through wooded areas or are in conflict with yard trees.

6. These general rules and regulations shall not be construed as prohibiting the Cooperative from making electric line extensions of greater length or higher costs provided that there is no discrimination between Customers using and/or receiving electric distribution service under the same classification.

7. For underground service, the Customer shall provide access conduits underneath driveways, sidewalks, patios, porches, decks, etc. to the satisfaction of the Cooperative. At the Cooperative's option, an entire conduit system may be required.

8. The Applicant/Owner shall grant to the Cooperative an easement relieving the Cooperative of the liability of damages that could be incurred if the underground cable should ever need repair or replacement.

B. EXTENSION OF SERVICE - PRIMARY DISTRIBUTION FACILITIES

1. Single phase extension of service

a. For each line extension, the Cooperative will invest up to an amount equal to a given multiple of its current system average distribution plant dollar investment per service based on standard construction practices for each service connection. This current system distribution dollar investment shall be calculated

on the Cooperative's last calendar year total distribution plant investment divided by the total number of services in place at the end of said calendar year. The multiples, by rate class, are:

Classification Multiple

- | | |
|----------------------------|-----|
| 1. Residential - Full-Time | 5.0 |
| 2. Seasonal Residential | 3.0 |
| 3. Non-residential | 4.0 |

b. For any single-phase line extension whose estimated cost exceeds the amount the Cooperative would invest as outlined in B.1.a. the Applicant shall pay a contribution-in-aid of construction for that portion of cost exceeding the amount to be invested by the Cooperative. The Cooperative may finance such required contribution via an individual financing agreement. The Cooperative may, at its discretion, adjust the contribution to the actual cost.

c. The Cooperative shall determine the route of the line based on the least cost method and utility accepted routing practices. If the Customer requests the route to be changed and the Cooperative agrees, the Customer shall pay a contribution-in-aid of construction based on the cost difference between the routes.

d. The Cooperative may require three phase line extensions for motors larger than 10 horsepower and/or loads greater than 25 kW.

Residential (Full-time) - A Customer requiring service for a residential structure must ensure that the structure satisfies the following conditions:

- (1) Must have permanent water and sewer facilities approved by local authorities and must have received appropriate electrical inspection as a residence by/from appropriate local authorities;
- (2) Must be the principal place of residence and occupied on a full-time basis for at least nine (9) months per year; and
- (3) To verify the above, the Cooperative may require the Applicant or Customer to sign an agreement certifying that the above conditions have been or will be met.

Seasonal Residential - A Customer requiring service for a residential structure that does not meet the criteria for residential (full-time) as set forth above shall be considered a Seasonal Residential Customer.

2. Multi-Phase Extension of Service

a. For loads up to 75 kW, the Cooperative will make three phase line extensions in accordance with Section VI. B.1.a. and VI. B.1.b.

b. For loads greater than 75 kW, the Cooperative will invest up to \$140/kW of requested peak demand without additional charge to the Applicant. The Cooperative will require the

Applicant to execute a contract for service where the minimum monthly charge for the electric distribution service shall be 1/72nd of the total investment cost made by the Cooperative.

c. For investments in excess of the \$140/kW, the Cooperative will require protection for such excess investment by payment of a contribution-in-aid of construction and/or by requiring the Applicant to secure and provide an approved irrevocable letter of credit, performance surety bond, or other acceptable form of guarantee in the amount of the excess investment for a period of six (6) years.

d. The Cooperative shall determine the route of the line based on the least cost method and utility accepted routing practices. If the Customer requests the route to be changed and Cooperative agrees, the Customer shall pay a contribution-in-aid of construction based on the cost difference between the routes.

C. SECONDARY AND SERVICE EXTENSIONS

1. The Cooperative shall provide and extend overhead service extensions to serve the Customer consistent with sound engineering practices and prudent utility practices.

2. The Customer shall provide an adequate point of attachment to the structure for the mechanical load and required clearances.

3. The Customer shall provide the required service entrance riser with adequate drip loop for the Cooperative to make connections at the point of attachment.

4. If the Customer requests underground service and the Cooperative agrees to furnish the underground service, the Customer shall pay the cost differential between the underground service costs and the overhead service costs.

D. LINE RELOCATIONS AND CONVERSIONS

1. If the Customer requests that an existing line be relocated and the Cooperative agrees to the relocation, the Customer may be required to pay a contribution-in-aid of construction for the cost to relocate the line.

2. If a Customer requests that an existing overhead primary line be converted to underground and the Cooperative agrees to the conversion, the Customer shall pay a contribution-in-aid of construction for the cost to convert the line.

3. If a Customer requests that an existing adequate overhead service be converted to underground and the Cooperative agrees to the conversion, the Customer shall pay a contribution-in-aid of construction for the cost to convert the line. The conversion cost

shall include the cost differential between underground and overhead facilities; the depreciated original cost of any existing overhead facilities less salvage value and the cost of removing such overhead facilities.

4. If a Customer requests that an inadequate overhead service be converted to underground and the Cooperative agrees to the conversion, the Customer shall pay the cost differential between underground and overhead facilities.

E. EXCESS FACILITIES

The Cooperative will provide facilities in excess of normal service facilities (i.e., one source, one transformer installation, and one meter) provided that:

1. The Applicant or Customer pays the entire cost of the excess facilities plus a monthly maintenance charge of 10.5576 percent annually of the cost of the excess facilities provided; or

2. The Applicant or Customer pays the monthly facilities charge of 19.3735 percent annually of the cost of the excess facilities provided.

F. SPECIAL SERVICES OF SHORT DURATION

For any connection that will require service for only a short duration of time (less than two (2) years), the Customer will be required to pay in advance all estimated construction and removal costs less salvageable material as determined by the Cooperative.

G. TEMPORARY CONSTRUCTION SERVICE

1. Service of this type will be furnished to the property during the construction phase.

2. Where the facilities necessary for this temporary construction will become part of the permanent extension; the cost of said extension shall be covered as per Section VI.B. or VI.C.; however, the Applicant must pay a temporary connection fee in accordance with Schedule F-C to be retained by the Cooperative and in exchange for which no energy is to be received.

3. When the construction necessary requires no more than seventy five (75) feet of aerial cable for installing a single span three-wire service from an existing service source or placing a pedestal beside an existing padmount transformer, the Customer may pay the Temporary Service Charge as specified in the Cooperative's Schedule of Fees and Charges and receive up to 100 amperes of capacity. When special construction is required that will not become part of the permanent connection, the Applicant must pay all estimated construction and removal costs less salvageable material before this service is extended.

SECTION VII
BILLING AND PAYMENT
FOR SERVICE

A. BILLING PROCEDURES

1. Bills

Bills will be rendered to the Customer by the Cooperative monthly. Bills will be computed using metered energy and power consumption based on applicable rates and fees on file and approved by the Commission. The Cooperative will prorate the bill when a Customer's service starts and is terminated.

2. Meter Readings

The rates of the Cooperative for electric service are based on the condition that monthly meter readings shall be received. The Cooperative generally employs a customer "self-meter reading" system. It is the responsibility of each customer to supply to the Cooperative an actual meter reading and the date that said reading was obtained from the meter serving the customer's indicated account. Since this meter reading is utilized for the calculations of each month's billing which occurs at the end of the month, the meter reading must be received prior to the 5th working day before the end of the month. The Cooperative offers several methods by which the customer can supply said readings. The Cooperative will read all demand meters. The Cooperative may read any individual, group, or class of meters at its discretion. All kWhs may be billed in blocks of ten (10).

In the event a valid meter reading is not received prior to computing the bill, the Cooperative will use an estimated meter reading. When the customer fails to provide a current meter reading in time for billing preparation for a period of two (2) consecutive periods, the Cooperative will read the meter and charge a fee in accordance with Schedule F-E. This meter reading will be utilized for the 3rd billing month. In the event that the meter has failed and/or no valid meter reading is obtained, an estimated bill will be generated by the Cooperative using the best available information. The Cooperative may adjust estimated bills when actual information becomes available upon which to base the adjustment.

The Cooperative offers to its customers on an optional basis automatic meter reading (AMR) and automatic outage notification. The monthly fee for this service is set out in Schedule F-J. The Cooperative reserves the right to install AMR/outage notification on any account where it deems it economically feasible. For these accounts, the monthly fee will not apply.

The Cooperative has the right at all times to conduct a random check on any account to verify that the meter readings submitted have been accurate. If the reading obtained by the Cooperative requires an adjustment, it shall be adjusted in accordance with the above.

3. Terms of Payment/Collection

Bills are due when presented. They shall be considered as presented when deposited in the United States mail for delivery or when otherwise delivered by the Cooperative to the address of the Customer. A bill shall become overdue if unpaid on the 20th day following the day it has been presented. If payment has not been received by this time (the late payment date), a one and one half percent (1-1/2%) penalty per month will be applied on the outstanding balance less local and state government utility taxes. If it remains unpaid at the time the succeeding bill is delivered, a notice of intent to disconnect service shall be served upon the Customer, giving at least ten days prior notice before disconnection occurs. If the bill remains unpaid at the end of such ten-day notice period, electric service to the premise of the Customer shall be subject to disconnection without further notice.

The Cooperative reserves the right to apply any payment or payments made in whole or in part to any account due the Cooperative by the Customer unless the Customer has instructed otherwise. However, the Cooperative may apply any payments in excess of the account specified to other account balances due the Cooperative by the Customer. Whenever payment is made by a check and/or other form of payment not honored by the institution upon which the payment is drawn, a returned check processing fee shall be charged for the returned payment in accordance with Schedule F-H.

For collection of delinquent balances, after the required notice period has expired, Cooperative personnel will be sent to the location of service for the purpose of disconnecting the supply of electricity. At this time, at the service location, the Customer may pay the amount of the delinquent notice plus a collection fee in accordance with (Schedule F-G) in lieu of having the service disconnected.

If the service is disconnected the Customer must pay all billed outstanding balances plus all applicable fees and/or arrange for any applicable deposit before service will be restored. This payment must be made during regular working hours at the Cooperative's offices.

Upon disconnection of service for any reason, the Customer shall be sent a final bill at the next regular

billing cycle showing the outstanding amount owed after deducting all applicable credits.

SECTION VIII **DISCONTINUANCE OF** **ELECTRIC DISTRIBUTION SERVICES**

The Cooperative reserves the right to discontinue furnishing electric distribution service to a Customer, irrespective of any claims pending against the Cooperative, upon the occurrence of any one or more of the following events:

A. AT ANY TIME WITHOUT NOTICE

1. Whenever, in the Cooperative's opinion, the conditions of the Customer's wiring, equipment and appliances are either unsafe or unsuitable for receiving electricity, or when the Customer's use of electricity or equipment interfere with, or in the opinion of the Cooperative may be detrimental to the supply of electricity by the Cooperative to any other Customer;

2. Whenever the Cooperative, in its opinion, has reasonable cause to believe that a Customer is, or has been, receiving electric distribution service without paying therefore, or that the Customer in any manner interferes with the proper metering of such electric distribution service. The Customer will pay for any costs incurred by the Cooperative as a result of such actions by the Customer.

3. Whenever the Customer has denied a representative of the Cooperative access to the Cooperative's meters, wires, facilities or other apparatus installed on the Customer's premises;

4. In any case of any misrepresentation by the Customer to the Cooperative (such as falsifying information on the Application);

5. Emergency repairs or alterations;

6. Unavoidable shortages or interruptions in the Cooperative's source of supply, or other cases of emergency, and

7. When ordered by authorities having jurisdiction.

B. WITH WRITTEN NOTICE

Notice of discontinuance shall be considered to be given to a Customer when a copy of such notice is left with the Customer, or left at the service location for which his bill is rendered, posted in the United States mail, or sent to the Customer's last Post Office address shown on the records of the Cooperative:

1. Failure to comply with the Terms and Conditions of Service of the Cooperative;
2. Failure to pay bills for electric service;
3. Failure to pay any required deposit;

4. Failure to comply with the terms of any payment agreement, contract, or Agreement for the Purchase of Electric Distribution Service;

5. Failure to correct any safety hazard having to do with electric service, and judged by the Cooperative to be serious, but not life threatening; or

6. Failure to correct violations of the National Electrical Safety Code and/or the American National Standard Code for Electricity Metering caused by changes in the structure or grade.

C. AT CUSTOMER'S REQUEST

The supply of electricity will be disconnected to any Customer within a reasonable time after receipt of such request from the Customer to the Cooperative. Request for disconnection of service does not relieve the Customer of any obligation to the Cooperative.

SECTION IX **RECONNECTION OF** **ELECTRIC DISTRIBUTION SERVICE**

A. COMPLIANCE WITH TERMS AND CONDITIONS

If the electric distribution service has been discontinued for any of the reasons covered by Section VIII (Discontinuance of the Electric Distribution Services), the Customer shall comply with all Terms and Conditions of Service before the service is reconnected.

The Cooperative shall have a reasonable period of time in which to reconnect the Customer after the Customer has corrected all unsatisfactory conditions or the events which caused the disconnection have been resolved.

B. SETTLEMENT OF CHARGES AND FEES

1. Unless the Cooperative, at its discretion, consents otherwise, any service disconnected for nonpayment shall not be reconnected until full payment is received for:

- a. All obligations to date;
- b. A Reconnection Charge and/or applicable fees; and
- c. Any required deposits.

2. Settlement of charges and fees received before 4:00 p.m. (Monday through Friday) shall entitle a disconnected Customer to be reconnected on that day for a regular work hour's reconnection charge. If a Customer requires that service be reconnected at a time other than regular working hours, an after hours reconnection charge will be assessed. This charge will be determined in accordance with the Schedule F-F.

C. METER TAMPERING, CURRENT DIVERSION OR UNAUTHORIZED RECONNECTION

The Cooperative may pursue any criminal complaint procedure available under the law. Before reconnection of any service disconnected for meter tampering, current diversion, or unauthorized reconnection of service, the Customer normally must comply with the following conditions:

1. Pay for all damages to Cooperative equipment resulting from the tampering and/or damages and provide sufficient deposit to cover future tampering or damage;
2. Pay an amount estimated to be sufficient to cover service used or service received;
3. Pay the Reconnection Fee, if applicable;
4. Pay any other required deposits as identified in Section IV.B. (Requirements for Securing Electric Distribution Service);
5. Pay a fee to cover the cost of testing the meter in accordance with Schedule F; and
6. Make any changes in wiring or equipment which, in the opinion of the Cooperative, may be necessary for the protection of the Cooperative.

**SECTION X
ELECTRIC SERVICE
CHARACTERISTICS**

A. QUALITY AND CONTINUITY OF SERVICE

The quality of service supplied by the Cooperative shall be in accordance with the accepted standards of the electric utility industry. The Cooperative shall endeavor to provide continuity of electric distribution service as outlined in Section V.G (Interruption of Service).

B. VOLTAGE

The Cooperative's standard voltage for lighting and other domestic uses shall be 120/240 volts, 60 cycles, single-phase alternating current. Other voltages may be furnished by special arrangements with the Cooperative or at the option of the Cooperative. The Cooperative will endeavor to maintain the voltage within 7.5% above or below the standard voltage at the termination point of the Cooperative's service conductors on the Customer's premise. Variations in voltage in excess of that specified caused by the action of the elements, the nature of the Customer's equipment, or acts of God, or any other reasons beyond the reasonable control of the Cooperative, shall not be considered violations of these permissible variations.

**SECTION XI
METER AND METERING**

A. OWNERSHIP AND LOCATION

Meters and metering equipment used to measure the power and energy delivered from the facilities of the Cooperative to the Customer's premise will be installed and owned by the Cooperative. In general, meters shall be located approximately 5 ½ feet above finished grade and on the outside of the building. The location of the meter and the point at which the Cooperative's supply lines terminate on the building of the Customer shall be designated by the Cooperative. The Cooperative will furnish the meter socket, which shall be installed by the Customer as a part of the service entrance. No part of the service entrance shall be concealed before entering the meter socket. The Cooperative shall have clear and unrestricted access to its metering equipment. The Cooperative, in its discretion, may make exceptions to this location requirement with respect to certain large power Customers utilizing different metering equipment.

B. PERIODIC TESTING

Periodic tests of meters used to measure energy delivered to Customer will be made in compliance with The American National Standards Institute (ANSI). A more frequent periodic testing schedule may be instituted if deemed necessary by the Cooperative.

C. TESTS REQUESTED BY CUSTOMER

Upon request by a Customer, the utility shall test the Customer's meter provided that such tests need not be made more frequently than once in 24 months. If testing of a meter is required by the Customer to be made more frequently than once in 24 months, the utility shall require a deposit in accordance with Schedule F-J. Such deposit shall be refunded if the meter test reveals meter error greater than 102% or less than 98% of actual consumption.

- a. The Customer, or a representative of the Customer, may be present when the meter is tested.
- b. A written report of the results of the test shall be made to the customer within 10 days after the completion of the test.

D. METER INACCURACY

If a meter used to measure electric power and/or energy delivered to a Customer's premise is tested and found to be inaccurate by an amount in excess of two percent, whether or not the inaccuracy is in the Customer's favor or disfavor, the Customer or the

Cooperative may require that an adjustment to the bills be made. All adjustments due to meter inaccuracies will be in accordance with the condition of the meter as it was found when tested.

If there is an event from which the Cooperative is certain that the meter inaccuracy is deemed to have begun, the adjustment to the bills may be made back to the time of that event or as limited by current state statute or regulation. If no such event is apparent, then bills may be adjusted for the preceding billing periods not to exceed three (3) months. The effect of the adjustment will be rendered to the Customer as an appropriate credit or debit entry on the Customer's subsequent statement for electric service.

E. METER FAILURE

If the meter is found to not be registering at all, the Cooperative will use the best available information to estimate the monthly consumption of power and energy.

SECTION XII **CHARGES FOR WORK ON** **CUSTOMER'S PREMISES**

It is not the policy of the Cooperative to perform for the Customer or Applicant any service that is not the responsibility of the Cooperative. At the Cooperative's discretion, such work may be done to assist the Customer or Applicant. The Customer shall reimburse the Cooperative for all charges in performing said service.

SECTION XIII **CUSTOMER COMPLAINT PROCEDURE**

The Cooperative exists to serve its Customers and its policies are designed to provide the best service to the most Customers at the least practical cost.

Customers shall be advised annually of the existence of an established Customer Complaint Procedure that will include the local and toll free telephone numbers of the Cooperative by which they may make inquiries or register complaints. The complete procedure is on file at the Cooperative office. The same information will be furnished to each new Member with the new Member packet.

The Cooperative will maintain off-hours local and toll free telephone answering systems to provide Customers access to a Cooperative agent at all hours to report power outages and other emergency situations.

Designated personnel shall be available to receive inquiries from Customers who may request

personal consultation at all times that the business office is open to the public.

Toll free telephone service to the Cooperative's offices from all service areas shall be maintained for the convenience of Customers.

SECTION XIV **LOAD MANAGEMENT**

For any Members who allow the Cooperative to install a load management switch on the Member's water heater, the Cooperative will perform minor repairs to the water heater at no direct cost to the Member as long as the switch remains at the location. Such minor repairs shall include but shall not be limited to, fuse replacement and minor wiring. These repairs will only be performed when, in the judgment of Cooperative personnel, the mechanical condition of the water heater is such that repairs can be made without leaks being created, and when water heaters are accessible without the need for plumbing or carpentry services.

SECTION XV **RATES**

A. CLASSIFICATION OR SCHEDULES

The Cooperative has the following rates available:

A. A-X*	-	Residential Service
B. B -X	-	General Service
C. C-X	-	Church Service
D. S-X	-	Seasonal Residential Service
E. LP-X	-	Large Power Service
F. PC-X	-	Coincident Peak - Load Control Schedule
G. Y-X	-	Yard Lighting Service
H. YP-X	-	Post Lighting Service
I. WPCA-X	-	Wholesale Power Cost Adjustment Clause
J. SS-X	-	Surge Suppression
K. GV-X	-	Generation Purchase Schedule
L. NEM-X	-	Net Energy Metering

*On the above rates, X indicates the number of the appropriate schedule.

These rates are on file with, and have been approved by, the Virginia State Corporation Commission.

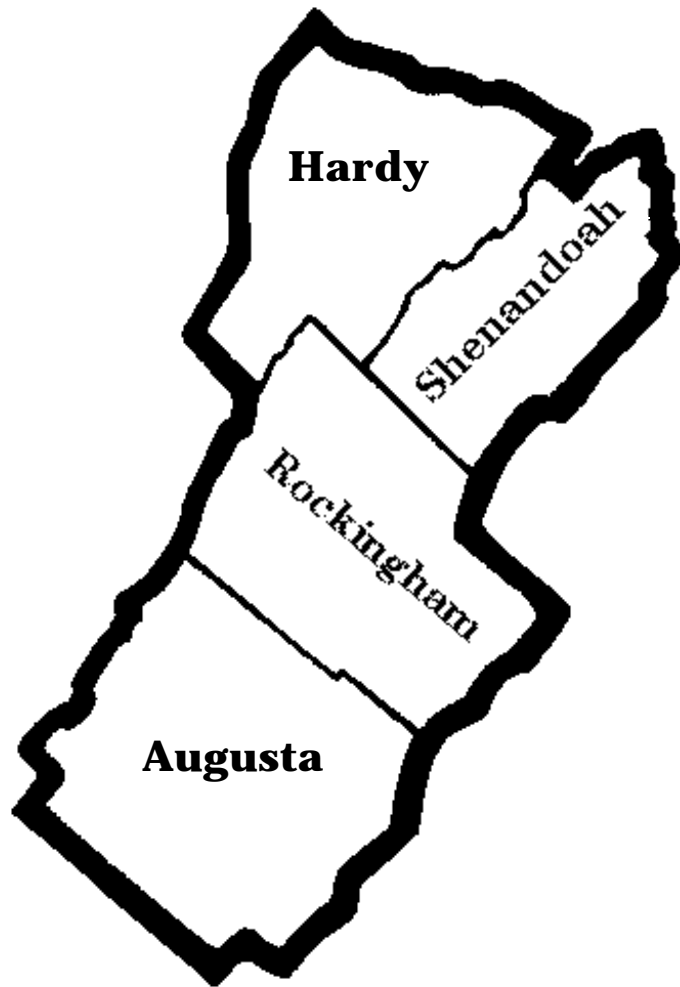
SECTION XVI
DEFAULT SERVICE

On and after the date of Customer choice for all retail Customers in the Commonwealth, the Cooperative, shall act as the default service provider for Customers in its service territory (i) who do not affirmatively select a supplier, (ii) who are unable to obtain service from an alternative supplier, or (iii) who have contracted with an alternative supplier who fails to perform. As the default service provider, the Cooperative will supply electric energy and all other competitive energy services, as well as transmission, distribution, ancillary, and other customer services. Default service shall be provided at the same rates and upon the same terms and conditions as set forth above.

SCHEDULE F - FEES

Type of Fee or Service Charge	Amount
A. Membership Fee - Initial Service Connection	\$ 5.00 (refundable)
B. Service Connection Fee	15.00 (nonrefundable)
C. Temporary Connection Fee	80.00
D. Mobile Home Connection Fee*	85.00
E. Service Charge for Reading Meter (Estimated for Two Consecutive Billing Periods)	8.00
F. Reconnection Charge to Existing Consumers (Must be Paid in the Cooperative's Office During Normal Working Hours) If the Actual Reconnection is Performed:	
1. During Working Hours, per Trip per Account	40.00
2. After Working Hours, per Trip per Account	65.00
G. Collection of Delinquent Accounts	40.00
H. Returned Check Processing Fee	30.00
I. Trouble Call - Outage on Consumer's Equipment	40.00
J. Meter Testing Deposit	
Single-phase meters	40.00
Polyphase meters	60.00
K. AMR (Automatic Remote Meter Reading) and Outage Notification	
Single-phase meters (all rate classes except seasonal)	3.10/mo.
Single-phase meters (seasonal)	1.00/mo.
Polyphase meter	12.75/mo.

*Does not apply if mobile home is determined to be on a permanent foundation, and will be refunded if a mobile home is placed upon such a foundation within six (6) months after it has been connected, and the Cooperative is notified to that effect.



Shenandoah Valley
Electric Cooperative