

# The Victory Electric Cooperative Association, Inc.



## Rules and Regulations

## GUIDANCE AND PRACTICE

These rules and regulations are adopted by The Victory Electric Cooperative Association, Inc., to guide the organization's practice of delivering electrical service to its members. The rules and regulations are intended to establish fair and equitable policies and procedures to enable the cooperative to provide safe, efficient and uniform service to all members.

No inconsistencies are intended between these Rules and Regulations and more specific provisions in the rate tariffs. If any inconsistencies should appear, the more specific provisions in the rate schedules shall prevail.

Not every circumstance, situation or possible scenario for providing electrical service has been accounted for in this document, therefore, the cooperative reserves the right to adapt its policies as necessary.

Official copies of the tariff schedules are available at the offices of The Victory Electric Cooperative Association, Inc., or online at [victoryelectric.net](http://victoryelectric.net). In addition, certain documents pertaining to tariffs regarding transmission and sub-transmission services are under the regulatory purview of the Kansas Corporation Commission and may be obtained from their offices.

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## I. DEFINITION OF TERMS

### 1. COOPERATIVE

The term “cooperative” is herein used to designate THE VICTORY ELECTRIC COOPERATIVE ASSOCIATION, INC., which furnishes electric service under these Rules and Regulations.

### 2. MEMBER

The term “member” is herein used to designate a person, partnership, association, firm, public or private corporation or governmental agency applying for or using electric service supplied by cooperative.

### 3. COMMISSION

The term “Commission” is herein used to designate the Kansas Corporation Commission or any successor of such commission having jurisdiction of the subject matter hereof.

### 4. MKEC TERRITORY

“MKEC Territory” is defined as the certified territory served by Aquila, Inc., prior to the 2007 acquisition of assets by Mid Kansas Electric Company, LLC, that was transferred to The Victory Electric Cooperative Association, Inc., by order of the Kansas Corporation Commission effective November 21, 2013.

### 5. LEGACY TERRITORY

The term “Legacy Territory” is defined as the area located within The Victory Electric Cooperative Association, Inc., certified territory established by the Kansas Corporation Commission per Chapter 66 of Kansas State Statutes.

### 6. SERVICE AVAILABILITY CHARGE

The “Service Availability Charge” is a monthly fee designated to offset a prorated share of the facilities necessary to provide electrical service in accordance with each member’s appropriate tariff schedule.

### 7. OVERHEAD SERVICE

“Overhead Service” is defined as the part of Victory Electric’s distribution system that is erected above the ground; generally utilizing poles and the related infrastructure used in conjunction with them, but could also include other equipment as necessary. Parts include, but are not limited to poles, conductors, cross-arms, guy wires, anchors, overhead transformers, capacitors, regulators, and switches.

### 8. UNDERGROUND SERVICE

“Underground Service” is defined as Victory Electric’s electrical distribution system buried below the surface of the ground; including the equipment installed at ground level used to connect components together and to other various parts of the distribution system. Parts include, but are not limited to insulated conductor, conduit, pad mount transformers, cabinets, secondary service pedestals, vaults, switchgear, and meter pedestals.

9. PRIMARY SERVICE

“Primary Service” is defined as the part of Victory Electric’s electrical distribution system that operates at voltages sufficient for extending service from its substations to the members’ locations. Typically, Victory Electric operates its primary voltages at 13,200 volts and 13,800 volts.

10. SECONDARY SERVICE

“Secondary Service” is defined as the part of Victory Electric’s electrical distribution system suitable for the members’ premises, as required by the type of service requested by the member, and all the equipment used to deliver the service. Typically, secondary service is transformed from primary voltages to voltages readily used by the members’ equipment, including, but not limited to 480, 277, 240, 208, or 120 volts, or a standard configuration of two of them.

11. CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)

“Contribution in Aid of Construction (CIAC)” is defined as the members’ contribution towards the total cost of the extension, minus an allowance provided by the cooperative for the cost of the extension.

12. DIRECT ALLOWABLE INVESTMENT CREDIT (DAIC)

The cooperative may give an allowance to new members in the form of a Direct Allowable Investment Credit. Allowances will be determined according to the type of service and the load characteristics of the service, and may be dependent upon the member’s standing with the cooperative. May also be referred to as an ‘allowance.’

13. FACILITY CHARGE

“Facility Charge” is defined as the monthly CIAC payment amount added to the members’ monthly billing statement until the CIAC balance is paid in full.

14. DIVERSION OF SERVICE

“Diversion of Service” is defined as any attempt to bypass electricity around instruments used to measure its use, including:

- a. Making connection with any wire or conductor to any service or transmission line owned by the cooperative without authorization;
- b. Defacing, puncturing, removing, reversing or altering any meter or any connections, for the purpose of securing unauthorized or unmeasured electricity;
- c. Preventing any such meter from properly measuring or registering;
- d. Taking, receiving, using or converting any electricity, which has not been measured;

**15. QUALIFYING FACILITY (QF)**

“Qualifying Facilities” are defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). Refer to CFR Title 26, Volume 4, Sec. 292.204. The distinction between QF and Non-Qualifying Facilities (NQF) primarily considers the type of fuel used for generation. In general, a QF must have its primary energy source biomass, waste, renewable resources, geothermal resources or any combination.

**16. NON-QUALIFYING FACILITY (NQF)**

Distributed Generation facilities not designated as QF under the provisions of PURPA will be considered NQF by the cooperative.



## II. SERVICE FEES

The following schedule of fees and charges shall be collected by the cooperative in accordance with the provisions of the Rules and Regulations:

|                                    |                                 |
|------------------------------------|---------------------------------|
| Non-Standard Meter Reading Fee     | \$100                           |
| NSF Fee (Insufficient Funds)       | \$30                            |
| Reconnection Fee                   | \$40                            |
| Abandoned Service Reconnection Fee | \$200                           |
| After Hours Reconnection Fee       | \$200                           |
| Manual Reconnection Fee            | \$200                           |
| Meter Test Fee                     | \$100                           |
| Construction Temporary Up/Down Fee | Construction and Labor costs*   |
| Late Payment Fee                   | 2 Percent(%) of Past Due Amount |
| Meter Diversion Fee                | \$260                           |

*\* Based upon estimated labor rates to construct and deconstruct the materials used for the project.*



### III. APPLICATION FOR SERVICE AND AGREEMENTS

An application for electric service shall be made between the member and the cooperative. The cooperative shall, as promptly as practicable, supply the member with electric service in accordance with their practices as specified by the member-elected board of trustees.

#### 1. Inspection of Installation

All wiring should conform to the requirements of the National Electrical Code and any applicable codes. The cooperative may refuse to provide service where the installation is not in proper condition from the standpoint of safety, permanence or adequacy for prospective loads. The member shall not materially increase the load of the service without first notifying the cooperative and obtaining consent.

#### 2. Information Regarding Rates

The cooperative's rates, bylaws and rules and regulations are available on the cooperative's website at [victoryelectric.net](http://victoryelectric.net) and at the office of the cooperative for the information of any party interested therein. Upon request, a representative of the cooperative shall assist any interested party with information regarding rate structure and classifications. The characteristics of the service will be used to determine the most appropriate rate schedule for each service. The cooperative retains the right to specify which rate schedule shall be used when service characteristics are not clearly defined or cannot be accurately demonstrated. After service has begun, and it is determined a more appropriate rate schedule should be designated for the service, the cooperative reserves the right to specify a more appropriate rate schedule. The cooperative will assist the member with the schedule change and inform them of any implications thereof.

## IV. CREDIT AND SECURITY DEPOSIT REGULATIONS

### A. SECURITY DEPOSITS

The cooperative shall request the member provide reasonable credit information to the cooperative before service is made available. The cooperative shall require at least two forms of identity verification from residential members. Acceptable forms of identity verification include social security number, driver's license or other government issued photo identification. A social security number will be requested to perform a soft utility credit check. If a social security number is not provided, the full deposit for said service will be required. A lease or ownership documents will be required to connect or transfer service. For nonresidential, non-incorporated applicants, the cooperative may require the name of the person(s) responsible for payment of the account and at least one form of identity verification, as well as the name of the business, type of business, and employer identification number, as issued by the Internal Revenue Service, if available.

1. The cooperative may, at the time of application for service, require an initial deposit to guarantee payment of bills for utility service rendered if:
  - a) The cooperative establishes an existing member has a poor bill payment history with the cooperative;
  - b) The cooperative establishes a new member has an unsatisfactory soft utility credit rating;
  - c) The cooperative establishes a new member has an unsatisfactory bill payment history with another electric utility over the most immediate twelve (12) month period, or has an insufficient prior credit history upon which a credit rating may be based. Payment history with another electric utility may only be obtained with the member's approval;
  - d) The member has any outstanding debt with the cooperative;
  - e) The member has, in an unauthorized manner, interfered with, or committed a diversion of service.
2. For the purposes of requiring applications for service and initial deposits under Index R4, Section A, No. 1:
  - a) Members who apply for new service at a concurrent and separate metering point, residence, or location may be required to reestablish service under the Index R4, Section A;
  - b) Members who have been disconnected and reconnected due to nonpayment of past due services and not issued a final bill at the

same premise within ten (10) days shall be considered existing members;

- c) Members who have been disconnected for more than ten (10) days and issued a final bill will be required to reestablish service under Index R4, Section A.

#### B. MODIFY SECURITY DEPOSITS

The cooperative may at any time after application for service, upon five (5) days written notice, require a new or modified deposit to guarantee payment of bills for utility service rendered if:

1. The member fails to pay an undisputed bill before the bill due date for three (3) consecutive billing periods, one of which is at least 30 days in arrears. The first day of the arrearage period is the first day after the due date on the bill.
2. The member is a nonresidential member and has a change in characteristics of the service – defined as a change in the nature or classification of use.
3. The member was disconnected for non-payment two or more times within the most recent twelve-month period.
4. The member has defaulted on a payment arrangement(s) two or more times within the most recent twelve-month period.
5. The member has tendered two or more insufficient funds payments within the most recent twelve-month period. The member will also be restricted to cash only payments.
6. The member has sought debt restructuring relief under federal bankruptcy laws. Within 60 days after the bankruptcy has been discharged, if the deposit on file is less than the maximum security deposit requirement for the same premise, the cooperative may recalculate the member's security deposit based on the most recent twelve months of use.
7. If the member's existing security deposit is to be adjusted or modified, the member's maximum security deposit requirement will be calculated in the same manner as an initial deposit.

#### C. NON-DISCRIMINATION

No deposit shall be required by the cooperative because of a members' race, sex, creed, national origin, marital status, age, number of dependents, source of income, or geographical area of residence.

**D. MAXIMUM DEPOSIT**

The amount of the cash deposit required shall not exceed the amount of that account's largest two (2) months' bill(s) within the previous 12 months.

If a member has been documented diverting service, a deposit amount shall be established or increased by member's projected largest three (3) month's bill and will be required to be paid in full prior to service being re-established.

Residential members shall be required to pay one-fourth (1/4) of the deposit at the time the service is established and the remaining balance will be divided into three (3) equal installments to be subsequently added to the next three (3) billing periods.

Nonresidential members shall be required to pay one-half (1/2) of the deposit at the time the service is established and the remaining balance will be billed in the next subsequent billing period.

Disconnection for nonpayment of deposit shall be governed by Index R7 – Disconnection of Service.

**E. DEPOSIT RECORDS**

The cooperative shall maintain on the member's record the amount of all deposits received and amount of interest paid. See Section I of this Index.

**F. TERMS AND CONDITION STATEMENT**

Statement of the terms and conditions governing the use, retention and return of deposits, are set forth in Section G of this index.

The cooperative may indicate on the monthly member billing the amount of any security deposit retained by the cooperative.

**G. DEPOSIT RETURNS**

Upon termination of service, if the deposit is not transferred to the member's new established account, the cooperative will refund the deposit to the member, less any unpaid utility bills due the cooperative.

Deposits taken from residential members shall be either credited with interest to their utility bills or, if requested, refunded if the member has paid 12 of the last

12 bills on time and no undisputed bill was unpaid after 30 days beyond due date.

Deposits taken from small, nonresidential members obtaining service specific to schedule SC-17, shall be either credited with interest to their utility bills or, if requested, refunded after 24 months if the member has paid 24 of the last 24 bills on time and no undisputed bill was unpaid after 30 days beyond due date.

When refunded or credited, the deposit will include accrued simple interest at a rate not less than that provided by K.S.A. 12-822 and amendments.

Under circumstances when deposits are not eligible to be refunded for residential and small nonresidential members, those members can request their deposit amounts are recalculated once they have had continued service for 12 months with no payment delays on their account. A recalculation may increase or decrease the maximum deposit requirement.

Security deposits from large, nonresidential members (those obtaining service via schedule LC-17, I-17, ILM-17, ID-17, RTP-17, and INT-17) will be retained by the cooperative until termination of service.

**H. NON-TRANSFERABLE**

Service deposits shall be nontransferable from one member to another member; however, upon termination of the member's service at the service address, the cooperative may transfer the deposit to the member's new active account.

**I. INTEREST**

Security deposits paid to the cooperative by any payment method approved for the payment of bills (cash, check, credit card, debit card or electronic payment, etc.) shall be considered as paid in "cash" to the cooperative. These deposits shall accrue interest according to Section G of this Index.

In lieu of a cash security deposit, the cooperative may accept a written guarantee from a financial institution determined to be acceptable by the cooperative of any of its residential members with no deposit on file who have made 12 of the last 12 payments on time with no undisputed payment remaining unpaid after 30 days. For nonresidential members, the cooperative may accept a surety bond, an irrevocable letter of credit, a credit history from a previous electric utility for the most recent 12 months, or a deposit.

## V. BILLING AND PAYMENT

### A. CONVENTIONAL BILLING PLAN

The cooperative will bill each member each billing period in accordance with its applicable rate schedules. Billings will be issued monthly. Meters will be read in accordance with Index R11 – Metering. Payments of all bills for electric service are due and payable on receipt. Normally bills are sent by mail; however, the non-receipt of a bill by a member shall not release or diminish the obligation of the member with respect to the full payment thereof, including penalties and interest. The cooperative reserves the right to analyze and form accounts into various configurations for the purpose of billing periods, by geographic area, account type, logical, or by any means appropriate according to the cooperative to maximize efficiencies.

Each utility bill rendered to the member shall meet these requirements:

1. The beginning and ending meter registration for the reading period shall be shown on the bill. When estimations are used, that estimated billing shall disclose it is based on an estimated meter reading and the entire word “estimated” shall be shown on the bill.
2. The cooperative shall read meters in a range of no less than 28 days and no more than 32 days for monthly billing.
3. The final date by which a payment can be received before a delinquent charge is imposed shall be shown on the billing statement.
4. The actual or estimated electric use during the billing period shall be shown on the billing statement.
5. The amount due for prompt payment and the amount due after delinquency of payment shall be shown on the billing statement.
6. The energy cost adjustment in cents per kilowatt-hour (kWh) and the total amount due shall be shown on the billing statement.
7. The amount of additional charges due for past due accounts, security deposits, collection, connection or disconnection charges, payment arrangements, and other utility charges shall be shown on the billing statement.
8. The total amount due for the current billing period shall be shown on the billing statement.
9. The amount due for franchise fees, sales taxes, or other tax(es) and surcharges shall be shown on the billing statement, stated separately.

10. The address and telephone number of the cooperative and the identification of the office where a member may report a disputed bill, make an inquiry concerning a bill, delinquency or termination of service, or other general inquiry, shall be shown on the billing statement.
11. General information explaining overall changes in rates shall be made available to member through bill inserts or direct mail when rates are added or modified.
12. Adjustments to previous billings based on estimated use shall be shown on the billing statement. If an adjustment is made after actual use has been determined by a meter reading by the cooperative pursuant to metering rules established in Index R11, the adjustment shall be calculated for the period between the prior and the most recent meter reading by the cooperative. If the adjustment shows a net balance due to the cooperative, the member shall be given the opportunity, if requested, to pay the additional charges in equal installments over a period of time equal to the adjusted billing period. If a net balance is due to the member, the member shall be given either a credit on subsequent bills pursuant to Index R11, or a refund, provided the overpayment exceeds \$10 and a refund is requested.
13. The cooperative may include on the bill for utility services other charges for special services. Special services are those not authorized by tariffs, such as the sale of merchandise or services performed in connection therewith. Charges for special services shall be designated clearly and separately from charges for utility services.
14. If the member is participating in the Budget Payment Plan, each bill shall also clearly disclose the balance of the amounts paid to date as compared to the cumulative actual use, in dollars to date, including any credit or debit.
15. If the member is paying down an arrearage under the Cold Weather Rule or other payment arrangements, those monthly amounts shall be printed on the bill and clearly labeled.
16. To be eligible for Victory Electric's Community Solar program, members must be in good standing with the cooperative and have twelve concurrent months of service with no more than two late payments within the most recent 12-month period. Prepayment account billing types are prohibited from participating as of November 1, 2023.

**B. PARTIAL PAYMENT OF A BILL**

If the member makes partial payment for the total bill, the cooperative shall credit payment: a) first to the balance outstanding for utility service beginning with the oldest service debt, b) then to additional utility charges (such as

disconnection /reconnection/collection fees), and c) then to special charges as defined above.

C. RESPONSIBILITY FOR PAYMENT OF A BILL

The cooperative shall establish service to previous members once all the previous outstanding balances have been paid in full and the member complies with all the requirements stated in provision Index R4. In the event the outstanding balance was reported to a collection agency, the cooperative will notify the collection agency to cease collection activity once full payment has occurred.

D. LATE PAYMENT CHARGES

All bills for utility service are due and payable upon receipt. A bill shall be deemed delinquent if payment thereof is not received by the cooperative on or before the close of business on the due date as stated on the bill.

1. When a bill becomes delinquent, a late payment fee will be assessed on the account for the delinquent amount owed of the current utility service, and collection efforts by the cooperative shall be initiated.
2. If the last calendar day for remittance falls on a Saturday, Sunday, legal holiday, or any other day when the offices of the cooperative are not open to the general public, the final payment date shall be extended through the close of business on the next business day.
3. The cooperative may, upon request, send a duplicate billing statement to an alternate address for businesses or other non-residential members who have alternative or multiple business locations that are responsible for making payments.
4. Arrearage Payment Plan – (available starting March 16, with final payment installment required by the October current bill due date).
  - d) The member will have up to six (6) months to pay off an arrearage with the initial payment being the arrearage divided by six (6).
  - e) Current use that has been billed and is not yet past due and is not subject for disconnection will not be allowed to be included in the one-sixth (1/6) payment plan. Only past due amounts are eligible.
  - f) The arrearage plan is available up to six (6) months with the final payment installment required to be paid on the October current bill

due date. Arrearage balances are not allowed to be carried into the next Cold Weather Rule period.

- g) Members are not allowed to break the Arrearage Payment Plan outside the Cold Weather Rule period. Once the Arrearage Payment Plan is broken, the member is not eligible for another Arrearage Payment Plan and is subject for disconnection the next business day by 8 a.m. To restore power after disconnection, the member is required to pay the past due arrearages, reconnection fees and deposit, if applicable. Members must be informed of this option.

- 5. The cooperative may disconnect service for a delinquent bill after issuing the notice required by Index R6 - Disconnection of Service. If service is disconnected because of non-payment of a bill on the exact day disconnection is to occur, the cooperative shall require a reconnection fee.

#### E. COLD WEATHER RULE

##### 1. Application

The provisions of the Cold Weather Rule (CWR) allow for payment arrangement and disconnection procedures for any residential member with unpaid arrearages to retain or restore electric service throughout the cold weather period, which extends from November 15 to March 15.

##### 2. Prohibitions on Disconnections

The cooperative shall not disconnect a member's service between November 15 and March 15 when the local National Weather Service forecasts the temperature will drop below 35 degrees Fahrenheit within the following 24-hour period unless:

- a) It is at the member's request;
- b) The service is abandoned;
- c) A dangerous condition exists on the member's premises;
- d) The member violates any rule of the cooperative which adversely affects the safety of the member or other persons, or the physical integrity of the cooperative's delivery system;
- e) The member causes or permits unauthorized interference with, or diversion or use of utility service situated or delivered on or about the member's premises;
- f) The member misrepresents his or her identity or falsifies lease documents for the purpose of obtaining or retaining utility service; or
- g) The member tenders an insufficient funds check as the initial payment or an installment payment under a Cold Weather Rule payment plan and does not cure the insufficient payment and related fees during the ten (10) day period after an insufficient funds letter is sent to the member.

In any of these situations, under a), b), c), d), e) and f), the cooperative may disconnect the service immediately. Under g), the cooperative may disconnect the member ten (10) days after a NSF collection letter is sent and the member has not cured the insufficient payment and related fees during that ten (10) day period.

Services disconnected under provisions c) or d) above must be restored as soon as possible after the physical problems as defined in c) or d) have been corrected. Service disconnected under e) must be restored as soon as possible after payment by the member for fees, deposit, meter damages and the full value of the diverted service. The value of the diverted service shall be estimated based on the historic use of the member or the residence. Services disconnected under f) or g) above must be restored as soon as possible after the correction of the falsified documents and all payments and penalties have been paid.

### 3. Responsibilities of Members

In order to prevent service disconnection when the temperature is 35 degrees Fahrenheit or above, or to have service reconnected regardless of temperature, a member must comply with the following provisions:

- a) Inform the cooperative of the member's inability to pay the bill in full;
- b) Provide sufficient information to allow the cooperative to make a payment arrangement;
- c) Make an initial payment of one-sixth (1/6) of the arrearage, plus current amount due, pay the full amount of any reconnection fees, plus any applicable deposit, and enter into a Cold Weather Rule payment plan for the balance of the arrearage. The payment arrangement will be a maximum of 11 months with final payment to be made on October's current bill due date prior to the next Cold Weather Rule period. After November, the member would be allowed up to 11 monthly payments. The number of monthly payments would be decreased as the Cold Weather Rule period progresses. On or before March 15 (end of Cold Weather Rule period) the member would only be allowed a maximum of seven (7) pay arrangements prior to the next Cold Weather Rule period. After March 15, any broken Cold Weather Rule arrangement will require the past due balance to be paid-in-full to maintain electric service.

#### 4. Responsibilities of the cooperative

- a) Once a year, at least 30 days prior to the Cold Weather Rule period, the cooperative shall publish in the newsletter a written notice of the Cold Weather Rule.
- b) The cooperative shall send one (1) written notice mailed first-class at least ten (10) days prior to disconnection. A member may not be disconnected until a 24-hour forecast above the activating temperature is predicted by the National Weather Service. Twenty-four (24) hours prior to disconnection, the cooperative shall make at least one (1) telephone call attempt with the member of record.
- c) On the day of disconnection, the cooperative must receive a 24-hour forecast above the activating temperature from the National Weather Service. If the temperature is then forecasted to be below the activating temperature, the disconnection may not be carried out and the cooperative must wait for another 24-hour forecast above the activating temperature and follow the same procedures prior to disconnection.
- d) The cooperative reserves the right to disconnect between 8 a.m. and 5 p.m. Monday through Friday when the temperature is at or above 35 degrees Fahrenheit for the duration of the disconnect day. The

members' service will be reconnected as soon as a pay arrangement has been made or full payment is received.

- e) The cooperative shall inform the member of, or provide a list of, all other pay arrangements for which the member might qualify when requested.

#### 5. Other Provisions

- a) Security Deposits

When deposits are made in conjunction with the Cold Weather Rule, members shall be required to pay one-fourth (1/4) of the deposit calculated to establish service and the remaining balance due will be amortized over the period of three (3) months. No security deposit may be amortized over fewer months than what is permitted by Index R4 of the cooperative's Rules and Regulations.

- b) Renegotiation of Cold Weather Rule Agreement

- c) The member will be encouraged to renegotiate Cold Weather Rule payments if the member receives utility or other lump sum assistance.

#### F. BUDGET PAYMENT PLAN

##### 1. Availability

This plan is available to members receiving service under rate schedule AE17 and D17. Such members may elect to be billed, and must pay for, all electric service provided by the cooperative under said schedule, in accordance with the terms and provisions of the cooperative's Budget Payment Plan. The purpose of the Budget Payment Plan is to level, insofar as possible, the amount a member is required to pay monthly over a one year period. Members who are eligible to apply may elect to enroll any month of the year. At the time of enrollment or anniversary date, the Budget Payment Plan amount is based on the average of the individual members' previous 12 months net monthly bills plus an adjustment for the excess/deficiency balance. The historical net monthly bills may be adjusted for any significant rate tariff changes implemented during the period. The following formula is used to calculate the Budget Payment Plan amount at the time of enrollment in the plan or on the plan anniversary date:

$$\text{Budget Payment Amount} = (\text{Previous 12 net monthly bills} + \text{any arrearage}) / 12$$

Budget Payment Plan payments must be made as scheduled even though a credit balance may exist on the account.

2. Application

The members electing to use the plan must contact the cooperative to enroll in the plan.

3. Eligibility

To be eligible under the terms and provisions of the Budget Payment Plan, the member must obtain service under the applicable tariff, and must meet the following requirements:

- a) The member must satisfy, and be in conformance with, the cooperative's Rules and Regulations applying to electric service;
- b) The member must have 12 months of billing history at their current service location;
- c) A member who has been delinquent three (3) or more times in the last 12 months at their current or previous location may be denied participation in the Budget Payment Plan until the member has established 12 consecutive monthly payments without being delinquent.

4. Adjustment

The monthly Budget Payment Plan amount may be subject to adjustment during the year in an effort to minimize, insofar as possible, the amount necessary to balance the account. The cooperative or member may initiate the adjustment process. All adjustments made to the Budget Payment Plan amount must be approved by the cooperative prior to a change in the Budget Payment Plan amount.

5. Termination

A member may discontinue the Budget Payment Plan at any time by notifying the cooperative and making suitable payment arrangements for any outstanding balance on the account.

Upon receipt of an insufficient payment or failure to pay any Budget Payment Plan billing on or before its due date may be cause for removal of the member from the Budget Payment Plan and reinstatement on the conventional payment plan.

Termination of service for nonpayment of a bill will subject a member to removal from the Budget Payment Plan and the outstanding amount of the account for actual use shall be due and payable.

6. General Rules and Regulations Applicable

Except as expressly set forth above, this plan in no way modifies, terminates or suspends any of the cooperative's or members' rights or obligations under the general Rules and Regulations applying to electric service, including but not limited to payment of bills and discontinuance of service provisions.

G. PAYMENT METHODS FOR UTILITY BILLS

Transaction fees for payments by credit card are paid by the cooperative. Credit cards may include credit and debit cards. The type of card accepted is at the cooperative's discretion and may change from time to time. The cooperative may require an NSF fee pursuant to the cooperative's Service Fees Schedule for payment methods rejected for insufficient funds. The cooperative accepts these payment methods:

1. Mail

Payment may be made by mail with a personal check, cashier's check or money order along with bill stub. "Counter" checks and "starter" checks are prohibited unless expressly approved by the cooperative.

2. Bank Withdrawal

Payment may be made automatically each month from member's bank account.

3. Pay in Person

Payment may be made in person with cash, personal check, cashier's check, money order or credit/debit card, along with bill stub, at our main office location. "Counter" checks and "starter" checks are prohibited unless expressly approved by the cooperative.

4. Pay On-Line

Payment may be made via the cooperative's payment portal on the cooperative's website or the mobile payment app with a credit/debit card or e-check.

5. Pay By Phone

Payment may be made by phone with a credit card/debit or e-check using the cooperative's secure Interactive Voice Response (IVR) phone system. Payment by this method is accessible through the cooperative's toll free phone number.

Upon receipt of an insufficient fund (NSF) notification from the member's banking institution regarding an electronic payment, the cooperative will notify the member via mail that the member's payment has failed and a NSF fee has been assessed to the member's account. If a second invalid payment is received within a twelve-month period, the member shall be prohibited from making payments via electronic means until 12 months of good payment history is re-established from the most recent NSF.

#### H. APPLICATION OF FRANCHISE TAX OR SIMILAR TAX PROVISION

##### 1. General Regulations

When any city, town or taxing authority imposes a franchise, occupation, gross receipts, business, sales, license, excise, privilege or similar fee or tax upon the electrical operations of this cooperative within said city, town or taxing authority boundary, the amount thereof shall be charged to each member within said city, town or taxing authority boundary, in the same form in which it is imposed on the cooperative.

##### 2. Method of Billing

All such fees or taxes so imposed on this cooperative shall be added as a separate charge to member's bill for electric service.

##### 3. Class of Member Exempted

Any particular class of member exempted from said fees or tax(es) by said city, town or taxing authority in the calculation of said fee or tax upon the cooperative shall be exempt from the adder contemplated herein.

##### 4. Exemption Certificates

It shall be the responsibility of the member to notify and update the cooperative of their valid tax exemption certificate(s), subject to the guidelines of the Kansas Department of Revenue.

#### I. MODIFICATIONS AND ADJUSTMENT OF BILLS

Members should promptly bring questions or concerns about the content or accuracy of bills to the cooperative. The cooperative will not consider a member's request for alteration or adjustment of any bill which is five (5) or more years past the bill issue date.

## VI. PREPAYMENT BILLING

### A. GENERAL

Prepayment billing is a billing plan offered to members of residential accounts. It allows members to manage their account balances and electric use more closely if they choose. Each day the cooperative will calculate energy use based upon daily readings from the Advanced Metering Infrastructure (AMI) system, along with other applicable charges, and present an estimated daily deduction from the member's account balance. The member is able to monitor and make payments at their convenience to replenish their account. Members will gain the knowledge of knowing how much energy they are consuming each day via the cooperative's web site or the SmartHub app they can download on their phone or mobile device.

### B. ELIGIBILITY

To qualify for prepayment billing, an account must meet these qualifications:

1. The account must be for residential use only.
2. The service location is required to have an appropriate Advanced Metering Infrastructure (AMI) meter installed. If a service location is not properly equipped, the cooperative will determine if modifications can be made to enable the installation of an AMI device.
3. All past due amounts, including payment arrangements, must be paid in full prior to beginning prepayment billing.
4. The member must sign-up for a SmartHub account via the Internet with a valid email address.
5. The member is required to complete a prepayment billing plan application.
6. Budget billing payment plans and payment arrangements are not allowed in conjunction with prepayment billing plans.

### C. PAYMENT PLAN FEATURES

1. A deposit is not required.
2. Plans can be started with a \$50 minimum balance.
3. Account balances are estimated daily between 7 a.m. – 9 a.m.
4. The member will receive a low balance notification daily if the account balance is below \$25.
5. When the account balance is calculated to be \$0.01 or below, it will be eligible for disconnection.
6. Disconnect notifications are issued before 10 a.m. each day.

7. Disconnections are performed daily starting at 1 p.m. or after.
8. There are no fees for reconnection after an account has been automatically disconnected for low balance if it is reactivated within 10 days.

**D. DISCONNECTION FOR FINAL BILLING**

When a member chooses to close their account or permanently disconnect their service, they should notify the cooperative by calling or coming to the cooperative's office. After an account has been disconnected for low balance, the account holder will have 10 days to replenish the account to reconnect in order for the account to remain active. After 10 days, the account will be flagged for a final bill. The final bill will include any outstanding energy use, plus daily service availability charges, in addition to any other daily charges authorized by the member. Final bills for all accounts are calculated near the 10<sup>th</sup> day of each calendar month. If a final bill is calculated for an account with a credit balance, the cooperative will issue and mail a check to the member of record via U.S. Postal Service.

**E. RECONNECTING AFTER LOW BALANCE DISCONNECTION**

Once a service has been disconnected due to a low balance, the member must make sufficient payments to the account to obtain a minimum credit balance of \$50 to reconnect the service.

**F. NOTIFICATIONS**

The cooperative will not send by U.S. Mail a monthly billing statement or disconnection notice. All correspondence will be conducted electronically via email, text messages or outgoing calls. Members will be able to enroll in the type of notifications that best suits their communication needs.

**G. PENALTIES**

When an account is disconnected during the course of normal activity, such as a low balance, reconnection fees do not apply. However, if the cooperative receives an insufficient funds notification for a pending payment and the insufficient payment amount would render the account eligible for disconnection, the cooperative will disconnect the service immediately and an NSF penalty will be assessed on the account.

**H. NON-INTEREST EARNING BALANCE**

Credit balances do not earn interest.

## I. DAILY CHARGES

### 1. Energy Charges

Charges assessed for prepayment billing are calculated according to existing tariffs. However, AMI technology allows the cooperative to read the meter as necessary to bill daily instead of monthly, thus energy consumption is known, calculated and presented to the member daily.

### 2. Service Availability and Services

Service availability charges and private area lighting services are also calculated according to existing tariffs and applied to each daily estimate according to a prorated schedule.

### 3. Taxes and Franchise Fees

Taxes and franchise fees are estimated daily based upon energy use and prorated services applicable to the account.

### 4. Energy Cost Adjustment (ECA)

Each month the cooperative accesses an energy cost adjustment for energy use. When the ECA is applied to each billing month at or near the 10<sup>th</sup> day of the calendar month, the monthly billing reconciliation could impact the previously estimated account balance, negatively or positively.

### 5. Services with private area lighting may be included in the daily estimate on a pro rata basis according to the monthly rate schedule. For more information, see the cooperative's tariff at [www.victoryelectric.net](http://www.victoryelectric.net).

## J. MAKING PAYMENTS

The cooperative accepts various payment types for prepayment billing plans with the exception of automatic credit or bank draft. For a complete list of payment options, visit the cooperative's website at [victoryelectric.net](http://victoryelectric.net). Because payments left in drop boxes are not checked daily and posted immediately, members should be aware and not use them for time-sensitive payments.

## K. OUTAGES

During outages or restoration events, accounts that have not been disconnected for low balance are managed no differently than other account types. If the member reports their service is having an outage due to an event other than a low balance disconnection, they will be charged a Manual Reconnection Fee if the cooperative determines otherwise.

Accounts with Medical Necessity declarations are subject to low balance disconnections.

L. TRANSFER OF SERVICE

Members that wish to transfer their prepayment service from one service location to another may do so, however, any remaining credit balance on their previous account will not be eligible for payment or transfer until the account has final billed. If the previous account has a debit once it is final billed, their account balance must be paid-in-full before their new account will be eligible for the prepayment billing plan.

M. INDEMNIFICATION

The member shall not hold the cooperative liable for any consequences, including personal injury, death or property damages that may occur as a result from use of the prepayment billing plan, including disconnection or reconnection of electrical service.

## VII. DISCONNECTION OF SERVICE

### A. GENERAL REASONS

1. The cooperative may discontinue or refuse service for any of the following reasons:
  - a) When the member requests it;
  - b) When the service is abandoned;
  - c) When a utility bill becomes delinquent after proper notice, as provided in Index R7, Section C;
  - d) When a dangerous condition exists on the member's premises. In any case, where cooperative has received notice that a condition dangerous to life or property exists on member's premises, cooperative may, without any advance notice, disconnect the service, and shall not be reconnected until such dangerous condition has been eliminated. The cooperative assumes no responsibility for defects in a member's appliances or equipment;
  - e) When the member fails to provide credit information, security deposit or guarantee, as set forth in Index R4, or has a previous undisputed and unpaid separate account for utility service with the same utility;
  - f) When the member misrepresents his or her identity for the purpose of obtaining utility service;
  - g) When the member refuses to grant cooperative personnel access, during normal working hours, to equipment installed upon the premises of the member for the purpose of inspection, meter maintenance or replacement;
  - h) When the member violates any rule of the cooperative and that violation adversely affects the safety of the member or other persons, or the integrity of the cooperative's delivery system;
  - i) When the member causes or permits unauthorized interference with, or diversion or use of utility service (meter bypass), situated or delivered on or about the member's premises.
2. None of the following shall constitute sufficient cause for the cooperative to disconnect service:
  - a) The failure of a member to pay for special services, as defined in Index R5, Section B;
  - b) The failure of the member to pay for service received at a concurrent and separate metering point, residence or location. In the event of

disconnection or termination of service at a separate metering point, residence, or location in accordance with these rules, the cooperative may transfer any unpaid balance to any other service account provided, however, that in the event of the failure of the member to pay a final bill at any metering point, residence or location, the cooperative may transfer such unpaid balance to any successive service account opened by the member for the same class of service, and may disconnect service at such successive metering point, residence or location for non-payment of such transferred amount;

- c) The failure of the member to pay for a different class of service received at the same location. The placing of more than one meter at the same location for the purpose of billing the use of specific devices under optional rate schedules or provisions is not construed as a different class of service for the purpose of this rule;
  - d) The failure of a member to pay a bill that is in dispute; provided, however, the member pays the portion of the bill not in dispute.
  - e) Members of 3 phase services who are disconnected for non-payment will be subject to a \$200 manual reconnection fee.
3. Except for disconnection pursuant to Index R7, Section A; No. 1; Subsection a, b, d, h, or i, the cooperative shall not disconnect service unless at the time of the proposed disconnection, for one hour after disconnection, the cooperative office or authorized personnel identified in the notices given pursuant to Index R7, Section C, following, are open or available to the member for the purposes of making pay arrangements preventing disconnection or obtaining reconnection.
4. When a member abandons a service location or requests to disconnect their service, the cooperative reserves the right to remove infrastructure after 12 months of non-use. This may include removing the meter, poles, transformers, conductor and any other equipment.
5. When a member requests to reconnect a service that they have previously disconnected within 12 months, the cooperative will access an Abandoned Service Reconnect Fee.

B. DISCONNECTION IN SPECIAL CIRCUMSTANCES

1. The cooperative reserves the right to exempt members from disconnection in the event an especially hazardous medical condition may develop due to the disconnection of service. The cooperative may require proper medical documentation.
2. In determining whether disconnection would be especially dangerous to health, consideration shall be given to the weather, and the member's or other residents' medical condition, age, or disability.

C. NOTICE OF DISCONNECTION OF SERVICE

1. The cooperative will give the member at least ten (10) days written notice before disconnecting service, unless the disconnection is upon member request, involves a dangerous condition, a violation of cooperative rules, or unauthorized interference diversion or use of service, in which case the cooperative may disconnect service immediately. In addition, the member's disconnect date will not fall on any day the cooperative's office is not open for business. However, if the cooperative has knowledge a person other than the member or member of the member's family are residing at the premises where unauthorized interference, diversion, or use of utility service (meter bypass) is taking place, the cooperative shall call the local police department to document theft to initiate legal action. The cooperative will disconnect service immediately and the member will be required to pay all fees, deposit, meter damage and any estimated use prior to being reconnected.
2. If the cooperative can prove a member has received service by using a false identity, it may disconnect the member after a phone contact is attempted with the member on record.
3. A notice (separate from other utility bills, information or advertising) shall be sent to the account name and address. In the case of residential occupancy, the notice will be sent to the address where service is provided, if different. Service of notice by mail is complete upon mailing. The cooperative shall maintain an accurate record of the date of mailing, and the effective dates of the notice. The notice shall be effective for one (1) month after initial date upon which and after which service can be disconnected.
4. The cooperative will notify, or attempt to notify, members by phone at least one (1) day before they are to be disconnected.
5. The notice(s) required by Index R7, Section C above, shall contain the following information:

- a) The name and address of the member and the address, if different, where service is rendered;
- b) A clear and concise statement of the reason for the proposed disconnection of service and the cost and conditions for reconnection;
- c) The dates between which service can be disconnected unless the member takes appropriate action;
- d) Terms under which the member may avoid disconnection;
- e) A statement that disconnection may be postponed or avoided if a member can demonstrate special circumstances prevent complete payment and satisfactory credit arrangements are made with the cooperative for moneys not in dispute;
- f) A statement reasonably calculated to apprise the member of the availability of an administrative procedure that may be utilized in the event of a bona fide dispute, or under other circumstances provided in Index R5. The address, telephone number and name of the cooperative office or personnel empowered to review disputed bills, rectify errors, and prevent disconnection shall be clearly set forth. The notice shall state the member may meet with a designated employee of the cooperative and may present his or her reasons for disputing a bill or the cooperative's reasons for disconnection, requesting credit arrangements or requesting a postponement of disconnection.

**D. RESTORATION OF SERVICE**

1. Upon the member's request, the cooperative shall restore service promptly when the cause of disconnection of services has been eliminated, applicable restoration fees paid and, if required, satisfactory credit arrangements have been made.
2. At all times, every effort shall be made to restore service on the restoration day requested, and in any event, restoration shall be made no later than the next business day following the day requested by the member.
3. The cooperative may charge an authorized fee for the restoration of service as provided in Index R2.

**E. RESELLING OR REDISTRIBUTING SERVICE**

The service furnished is for the sole use of the member. The member shall not sell or re-deliver electric service to any other person without the written consent



of cooperative. In case electric energy supplied by the cooperative to the member is resold without the consent of the cooperative, service shall be discontinued after one (1) day notice and shall not be restored until member has arranged to discontinue the reselling or redistribution of the service. If service is required to be disconnected for this cause, a reconnection fee shall be required to be paid before service is restored.



## VIII. MEMBER'S SERVICE OBLIGATIONS

### A. INDEMNITY PROVISIONS

#### 1. Disruption of Service

##### a) Liability of Member

The cooperative will use reasonable diligence in furnishing a regular and uninterrupted service, but in case such service should be interrupted, or fail by reason of an act of God or public enemy, war, accidents, strikes, or their equivalent, legal process, state or municipal interferences, breakdowns or injury to the equipment of the cooperative or extraordinary repairs, the cooperative will not be liable for damages for any such interruption of service.

##### b) Emergency Repairs

The cooperative reserves the right to shut off supply of electric energy at any time when such action is necessary for the purpose of making repairs or in case of any emergency. In such case, the cooperative shall make every reasonable effort to restore service at the earliest possible moment. An interruption of service will not relieve member from any charges for services already rendered.

#### 2. Liability for Damage

The cooperative will not be liable for any loss, damage or injury whatsoever caused by loss of electric energy after same has passed through the cooperative's meter herein defined as "point of delivery", nor for defects in the member's wiring, or appliances.

#### 3. Liability

The member shall hold the cooperative harmless from all claims for trespass, injury to persons, or damage to lawn, trees, shrubs, buildings or other property that may be caused by reason of the installation or replacement of the service wires and other necessary equipment to serve member, unless it shall affirmatively appear the injury to persons or damage to property complained of has been caused by willful default or negligence on the part of the cooperative or its accredited personnel.

### B. COMPLIANCE WITH RATE SCHEDULES

If the cooperative has in effect more than one applicable rate schedule, the cooperative will choose the most appropriate schedule according to the characteristics of the service type. When a member uses service for purposes not

permitted in the rate schedule, the member may be required to apply for service again in accordance with the service type and appropriate rate schedule.

The cooperative reserves the right to bill for services rendered inappropriately for up to three (3) years in arrears.

C. COMPLIANCE WITH RULES & REGULATIONS

All service furnished to the member shall be in accordance with these rules and regulations. Lack of compliance may result in discontinuance of service unless conditions are remedied. If service is disconnected, a reconnection fee may be required before service is reconnected.

D. SPECIFICATIONS OF ELECTRIC SERVICE

It is recommended members and prospective members consult with the cooperative if they are not certain of the type of service they will require. When members are installing electric motors and other specialized electrical equipment, it is especially important to consult with the cooperative to ensure compatibility with the cooperatives existing distribution system.

The member shall use the electric service supplied by the cooperative with due regard to the effect of such use on the cooperative's electrical service. If the member's service adversely affects the cooperative's ability to deliver quality electrical service to the member or to other members, the member shall work with the cooperative to remedy the situation. If the member refuses to make necessary changes to improve the service, the cooperative may suspend or refuse to furnish electric service until satisfactory conditions are met. If the service is determined to be unsafe or creates a dangerous condition, the cooperative may suspend or terminate service without warning to the member until such situation is deemed safe by the cooperative. Any service requiring excessive starting currents, intermittent or rapidly fluctuating load characteristics that may adversely affect load regulation, or any experimental or unusual electric devices capable of disturbing the characteristics of the cooperative's power quality, shall not be connected, except upon prior special arrangements as made with the cooperative.

1. Motors and Equipment

a) General

Service provided at primary voltages will be supplied where conditions warrant. It is required the cooperative be consulted in these cases. The cooperative will designate the type of service based

on the location, size and nature of the proposed load, and its relation to the cooperative's facilities.

b) Communications

The cooperative shall not provide service to radio, television, or similar transmitting stations unless the member provides and maintains adequate protection devices to prevent interference with the cooperative's electrical distribution system and other members. Devices, such as amateur transmitting stations, shall not be connected to residential services without the written consent of the cooperative. The member should consult the cooperative for such required special service needs. Attachment of aerial wires, antennas, or other communications equipment to the cooperative's facilities is strictly prohibited.

c) Current Fluctuation Control

When operation of equipment interferes with the cooperative's electric service quality, or the power quality of other members, the member shall take corrective measures. Members are encouraged to consult with the cooperative before implementing corrective measures to ensure compatibility.

d) Protective Control Equipment

Three-phase motors operating elevators, cranes or similar equipment that would cause damage due to a reversal of motor rotation shall be protected with reverse phase relays, circuit breakers or similar devices designed to disconnect the motor from the line in case it should receive single-phase or reverse phase power. In addition, mechanical devices shall be installed to prevent damage due to travel of the mechanism in the wrong direction.

In all cases, the member should install and maintain the devices necessary to adequately protect their equipment and processes during periods of abnormal service conditions or failure of part or all of the service supply.

E. SERVICE PREVIOUSLY INSTALLED

When previously installed services are modified, or the characteristics of their use are changed, the service must meet existing requirements before being re-energized.



#### F. MEMBERS' WIRING

The member is responsible for the safe operating condition of their equipment and wiring. All electric wiring and equipment installed, including the point of attachment, shall be at the expense of the member and shall be installed and maintained to meet or exceed the requirements of the National Electrical Code and any applicable governmental agency. The cooperative reserves the right to refuse to connect to any wiring or apparatus that does not meet these requirements. Meter sockets will be furnished by the cooperative without charge to the member.

#### G. SERVICE FOR LARGE USE MEMBERS

Because business establishments, whether commercial or industrial, will each have their own particular electrical needs varying greatly in their size and characteristics, it is essential the details of each installation be discussed at the earliest stages of the planning period with the cooperative. Based upon this information, the cooperative will specify the service voltage and arrangement and guide the member in selection of proper service equipment.



## IX. VICTORY'S SERVICE OBLIGATIONS

### A. PROPERTY OF THE COOPERATIVE

All facilities furnished and installed by the cooperative on the premises of the member for the supply of electric service to the member shall be and remain the exclusive property of the cooperative. All facilities on the premises of the member that are the property of the cooperative shall be operated and maintained by and at the expense of the cooperative. Facilities may be replaced by the cooperative at any time, and may be removed by the cooperative upon termination of the member's electric service agreement or upon discontinuance by the cooperative of electric service to the member for any reason.

### B. TYPE OF SERVICE

The service to be furnished under these rules shall be in accordance with service characterized in the cooperative's schedule of tariffs. The cooperative will consult with the member to develop a design, or multiple designs, that meet the member's and cooperative's requirements. The member shall sign an agreement for service once an agreeable design has been selected by the member prior to construction for connection of service. All electric wiring and equipment installed by the member, including the point of attachment, shall be at the expense of the member and shall be installed and maintained to meet or exceed the requirements of the National Electrical Code and any applicable governmental agency.

#### 1. Installation of Overhead Service

The cooperative will install overhead service from the distribution system to the member's service location (meter), according to the agreed upon service design. All construction and secondary service installation shall be done in compliance with the cooperative's line extension policy (Index R10).

#### 2. Installation of Service Wires to Building

The cooperative shall not connect new services to the exteriors of buildings except under exceptional conditions. The cooperative will designate the point to which its service wires will be terminated.

#### 3. Installation of Underground Service

Underground service may be installed upon the request of the member, due to a requirement of the cooperative, or in compliance with municipal regulations. A member desiring existing overhead electric facilities to be replaced by underground facilities, shall pay for the total cost of the conversion and underground facilities in accordance to the cooperative's line extension policy, Index R10.

C. CONTINUITY OF SERVICE

The cooperative will use reasonable diligence to supply continuous electric service, but does not guarantee the supply of electric service against irregularities or interruptions of service, caused by, but not limited to failure of facilities, breakdowns or injury to equipment, extraordinary repairs, an act of God, public enemy, accidents, labor disturbance, strikes or their equivalent, sabotage, legal process, federal, state, or municipal interferences and restraint by public authority, any emergency, or any cause beyond the cooperative's control.

D. ENERGIZING BY COOPERATIVE ONLY

Only authorized cooperative employees shall be permitted to energize the cooperative's facilities. Any infraction of this rule shall be sufficient cause for discontinuance of service.

E. DELIVERY OF ELECTRIC SERVICE

1. The obligation of the cooperative to supply electric service shall be completed by the supplying of such electric service at the member's point of delivery. The responsibility of the cooperative for the quality of service and operation of its facilities ends at the point of delivery.
2. The point of delivery at which electric energy is furnished to member will be the cooperative's meter on the member's premise, unless otherwise defined by the member's electric service agreement.
3. The cooperative will not be liable for any loss, damage, or injury whatsoever caused by leakage, escape, or loss of electric energy after it has passed the point of delivery, nor for defects in the member's wiring, appliances, or equipment.
4. The cooperative shall be required only to furnish, install, and maintain one connection from its distribution facilities to the member's point of attachment, and one meter installation to measure such electric service to the member for each class of service.

The cooperative shall not be obligated to supply electric service to a member for a portion of the electrical requirements on the premises of the member.

F. CURTAILMENT, INTERRUPTION OR SUSPENSION OF SERVICE:

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

G. RESTORATION OF SERVICE

1. In all cases of curtailment, irregularity, interruption, or suspension of service, the cooperative will make every reasonable effort to restore service without unnecessary delay. Labor disturbances affecting the cooperative or involving employees of the cooperative may be resolved by the cooperative at its sole discretion.
2. The cooperative shall not be considered in default of the electric service agreement with member, and shall not otherwise be liable for any damage occasioned by any curtailment, irregularity, interruption, or suspension of electric service. The member shall not be relieved from charges provided for in the electric service agreement and rate schedules because of curtailment, irregularity, interruption or suspension of electric service.

H. LIABILITY OF COOPERATIVE

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

I. TEMPORARY SERVICE

When a member requests temporary service as defined in Schedule T-17, fees for construction and removal of facilities may apply in addition to the fees

described in the schedule. Other fees may also apply in accordance to the cooperative's rules and regulations.

J. REQUEST FOR INVESTIGATION

The cooperative stands ready to render adequate and satisfactory service. If the member feels the service is not satisfactory, the cooperative should be notified so a proper investigation may be made.

K. SAVING CLAUSES

1. Rates

The rates in which the bills for services are rendered are the present legal rates of the cooperative on file at the headquarters and on the website.

2. Franchise Provisions

If any rule or regulation herein shall conflict with the provisions of any franchise in which the cooperative is now operating or may hereafter operate in any municipality, then the provision of such franchise shall govern.

L. WAIVER OF REQUIREMENTS

The requirements contained in these standards may be waived in individual cases by the board of trustees upon written request by the cooperative and showing that compliance with the requirement would neither serve the interests of the cooperative nor the member.

M. AVAILABILITY

Service under these rules shall be available to any new member within the cooperative's certified territory and upon execution of an agreement.

## X. LINE EXTENSION AND SECONDARY SERVICE

### A. PRIMARY EXTENSIONS IN INCORPORATED AREAS (RESIDENTIAL SERVICES)

The cooperative shall make extensions to its distribution system to serve new residential services located in an incorporated area of a municipality with a Direct Allowable Investment Credit (DAIC) towards the construction costs. The credit shall not exceed \$3,000. Construction and all other costs to be incurred by Victory during construction in excess of the DAIC will be the responsibility of the member and will be paid in full before construction shall begin.

### B. PRIMARY EXTENSIONS IN RURAL AREAS (RESIDENTIAL SERVICES)

The cooperative shall make extensions to its distribution system to serve new residential services located in rural areas with a Direct Allowable Investment Credit (DAIC) towards the construction costs. The credit shall not exceed \$4,000. Construction and all other costs to be incurred by Victory during construction in excess of the DAIC will be the responsibility of the member and will be paid in full before construction shall begin.

### C. PRIMARY EXTENSIONS FOR NON-RESIDENTIAL SERVICES

When the cooperative extends or upgrades its primary distribution system for the purposes of servicing a new, non-residential service, the cooperative will evaluate the characteristics of the service to determine if a Direct Allowable Investment Credit (DAIC) is warranted. In any case, construction costs in excess of the cooperative's credit, if any, shall be the responsibility of the member and must be paid in full before construction begins. All amounts paid to the cooperative for construction shall be non-refundable. The credit standing of the member will also be a consideration when evaluating a DAIC.

### D. RESIDENTIAL DEVELOPMENT

When a developer(s) requests the cooperative extend its distribution system to provide residential service therein to a residential development, the cooperative will provide the developer with a preliminary construction design plan and the associated costs of installing the required electric infrastructure to serve the proposed residential development, under the following conditions:

1. A final, approved plan is received by the cooperative, showing the development is to be used or developed for single or multi-family residential dwellings units, which meet requirements set forth for a permanent electrical service;

- a) Right-of-way easements and covenants on owner's property are satisfactory to the cooperative;
  - b) Site plans (streets, wet utilities, mechanical, electrical, plumbing, and landscaping plans, etc.) notice of construction start dates and construction schedules are reasonable and industry typical for the type of work to be performed;
  - c) Survey points for grades, lot corners, street ROW, and other locations reasonably necessary for installation of the electric system.
2. The development has an approved water and sewer system and improved roads;
  3. The land developer shall become a member, establish credit, execute an electric service agreement, and comply with all other applicable provisions of the Rules and Regulations of the cooperative;
  4. The development is five or more contiguous lots scheduled for immediate development;
  5. The development, in the cooperative's judgement, is not unduly speculative and will be developed in a planned manner;

Upon compliance of the aforementioned conditions, the developer(s) will be responsible for paying the total estimated cost of construction in full prior to any construction work commencing. The cooperative will also include an estimate of the Direct Allowable Investment Credit (DAIC) allocated for each permanent residential service to offset the initial construction cost. As each permanent residential service is connected, the cooperative shall reimburse the developer a pro-rata share of the DAIC, according to the location of the service. It is the developer's responsibility to inform the cooperative when a qualifying residential service has been established and request a credit be issued for the completed residential service.

The developer(s) will only be eligible to receive a Direct Allowable Investment Credit for each completed, permanent residential service. Any remaining DAIC will only be available for reimbursement for a period of (5) years after initial installation of distribution facilities before it is forfeited.

## E. GENERAL PROVISIONS

### 1. Right-of-Way

The cooperative may be required to secure private right-of-way for the purpose of making line extensions to potential services on its distribution system. When necessary, the cooperative shall attempt to secure franchise rights from municipalities to cover extensions requested, but will not undertake extensions on streets or alleys not covered by lawful franchise grants.

2. Extensions on Unimproved Streets or Alleys

The cooperative shall not be required to construct any extensions of its distribution system in any streets or alleys for which the property lines, sidewalk lines and curb lines have not been established by the appropriate regulatory authority(s), nor on any streets or alleys that have not been previously graded by the appropriate regulatory authority(s) except where, although the street or alley is ungraded, the grade shall have been established and the contour of the ground shall not be more than twelve (12) inches above or below the established grade at the proposed locations of cooperative's distribution facilities.

3. Property of Cooperative

All extensions made under these rules shall, at all times, be and remain the property of the cooperative. The cooperative shall be solely responsible for the maintenance and care of the facilities.

4. Determination of Direct Allowable Investment Credit

Measurements to determine distances when calculating DAIC will be measured along streets and alleys or dedicated easements provided for utilities and not across private property. The distance to the member's service shall be determined from the nearest existing infrastructure of adequate capacity, that is sufficient and suitable to provide service to the member and prospective members.

5. Analysis of Extension

The cooperative reserves the right to investigate the extension request to ascertain the number of potential members who can be advantageously served and the number who contract for service under the terms herein prescribed to determine if the extension is justified.

F. EXCEPTIONAL EXTENSION REQUEST

1. Exceptional Provisions

If, in the judgment of the cooperative, the extension is of extraordinary expense or requires unusual construction costs, or the revenue to be derived from the service, or the duration of the prospective business is not sufficient to warrant the investment, the cooperative may supplement, within its service agreement, any one or more of the following requirements from the member before construction begins.

- a) An adequate monthly Facilities Charge calculated upon reasonable considerations
- b) A cash contribution in advance
- c) An acceptable guarantee or surety bond

Interest shall not accrue to be payable on any cash contribution required by the cooperative.

2. Member's Guarantee

When the member's load requirements are unusually large or otherwise necessitate a substantial investment by the cooperative in special or additional equipment or facilities to serve the member's requirements, the cooperative may require a service agreement. The initial term of the agreement will be for more than one year and a deposit sufficient to secure the cooperative's investment. If terminated or canceled prior to fulfillment of the contract, the deposit by the member shall be forfeited in the amount necessary to protect the investment of the cooperative.

3. Right to Refuse

If, in the judgment of cooperative, the extension is found to be of such a risk to be an unworthy investment, the cooperative reserves the right to refuse to make such extension requested until the matter has been referred to the board of trustees for investigation and determination as to the reasonableness of such extension.

G. SECONDARY SERVICES

1. New Overhead Service

The cooperative will provide up to 150' of overhead service wire and a pole adequate for attaching a meter base and for terminating the secondary service. The cooperative prefers this service design, however, it recognizes circumstances may occasionally necessitate a structural attachment. Regardless, the member shall be responsible for supplying the meter-loop and sufficient structural strength for attachment. At least eighteen (18) inches of secondary cable must be extended beyond the weather-head prior to connecting the service.

When the service location is greater than 150' from the primary take-off point, the member shall be financially responsible for any additional materials, including, but not limited to, service wire, poles, guys, anchors, etc., in order for the cooperative to safely and efficiently service the member. The member may enter into an agreement with the cooperative in which the member agrees to reimburse the cooperative for the remaining balance of the extension, in accordance with the cooperative's Contribution In Aid of Construction (CIAC) provisions (Index R10; Section D).

The member may attach their meter-loop to the termination pole. The member will be responsible for connecting service to the bottom lugs of the meter socket for the final leg of their service.

When the secondary service wire must cross streets, alleys, or other paths, it will be the cooperative's responsibility to maintain sufficient clearance. Measurements to determine where the member's 150' allowance of service wire shall not commence until after clearance requirements are met.

When service is to be connected within jurisdictions requiring inspections, it will be the member's responsibility to secure all inspections from those entities before the cooperative will connect service.

If the member would like to affix a light on the secondary service pole, the member will be responsible for acquiring and installing any fixtures. The member will be responsible for any necessary inspections as required by the appropriate jurisdictions or authorities. Members can purchase commercial-grade light fixtures from the cooperative if they choose. Members may not install any fixtures or structures to the cooperative's primary distribution facilities.

## 2. New Underground Service (Developments)

As a regular procedure, the cooperative will install underground service in new subdivisions (or developments) in the absence of existing overhead primary lines under the following general situations and subject to the definitions and conditions as herein stated:

- a) When required by ordinance or when the developer requests the supply of electricity throughout the subdivision (or development) be provided by underground facilities.
- b) Where the installation of an underground system can proceed without interference or damage from other construction work (such as sewer, water, paving, sidewalks, curb and gutter) and other underground trenching.

This policy and all agreements related thereto are subject to the condition the cooperative may, at its option, elect to install a front lot system or a rear lot system or any combination thereof. The developer (builder or owner) shall provide the following:

- a) Proper covenants in the plat of the development and in the deeds to the various lots so there will be no question concerning easements or the fact the development is dedicated to underground service. The owner of each lot will be responsible for the protection of the underground facilities and will prevent the alteration of grade or any construction activity, which could interfere with said electric service.
- c) Proper easements for use by the cooperative.
- d) A plat of proposed development, showing all easements and all pertinent data as to streets, finished grades, alleys, etc.
- e) The developer shall contract with the cooperative for the necessary services, as well as the complete underground electric distribution system, and make an initial deposit with the cooperative sufficient to protect its investment in the system.

The cooperative will install a meter pedestal in close proximity to the pad mount transformer when underground primary service is present. The cooperative will be responsible for installation of the meter pedestal, meter, conductor, and conduit from the transformer to the meter pedestal. **It will be the responsibility of the developer and/or member to install the necessary service wire from the meter pedestal to the service location.**

### 3. Underground Secondary Service to New Homes

When underground secondary service is requested where underground primary service is present, the cooperative will install a meter pedestal in close proximity to the pad mount transformer. The cooperative will be responsible for installation of the meter pedestal, meter, conductor, and conduit from the transformer to the meter pedestal. It will be the

responsibility of the member to install the necessary service wire from the meter pedestal to the service location.

When overhead primary service is present, the member shall work with the cooperative to determine the most appropriate location to install a meter socket to an existing pole. It will be the responsibility of the member to install the necessary underground service wire from the meter socket to the service location.

4. Existing Homes with Overhead Service (Upgrades)

Existing homes will be provided with underground service under the same specifications as for new homes when alterations in the home require changes in the service. The member shall be wholly responsible for costs associated with the cooperative providing underground service. There may also be an abandonment charge for abandoning the useful overhead service line.

H. COMMERCIAL AND INDUSTRIAL UNDERGROUND SECONDARY

Electric facilities will be installed underground from the cooperative's overhead distribution system, provided:

1. The member applies for such underground service and agrees to pay the difference in the installed cost of the higher investment of the underground system and the standard conventional overhead system.
2. The member also provides the cooperative with written evidence of consent for filing of record an instrument locating the easement for underground conductor, transformer and service lines on private property.

I. SERVICE TO MOBILE HOME PARKS

Subject to the following conditions, the cooperative will supply electric service to points of delivery on the premises of a member, as owner of a permanent mobile home park, for operation of an area prepared and developed specifically to offer accommodations to occupants of either tenant-owned or member-owned residential mobile homes.

Mobile home parks are so considered when three or more home sites are grouped and orderly arranged so they can be served from a common metering location (meter bank).

The mobile home park owner will furnish a plat to scale showing, lots by number or address, location of drives, other utility services and electric distribution system. Such plat will be signed by the member to avoid any misunderstanding. Relocation of lines after the initial installation of the electric distribution system will be at the expense of the mobile home park owner.

1. General Conditions

- a) The cooperative will install, own, and maintain the distribution facilities to all semi-permanent mobile homes and common use facilities within the park, in accordance with the cooperative's Rules and Regulations relating to extensions, provided the park owner has furnished satisfactory easements along a mutually agreed upon route of the distribution system within the park.
- b) Meter locations will be banked or clustered, unless special arrangements are made between the cooperative and the member. The cooperative will install, own, and maintain the metering equipment necessary to measure the service delivered to each location within the park.
- c) The park owner will install, own, and maintain the service terminals at each service location in accordance with all applicable regulations.
- d) The park owner will install, own and maintain such electric circuits as required within the park to meter all common use facilities.
- e) The mobile home park owner shall make provisions for service through a separate meter for each mobile home location under the Rate Schedule applicable.
- f) On parks presently served at the property line, and where the owner has furnished all facilities from the property line to the point of service, the cooperative will not be obligated to purchase or assume ownership of any equipment or facilities.

2. Underground Service

Underground distribution may be contracted for mobile home parks by meeting the general provisions of the Rules and Regulations covering Residential Underground Distribution.

Mobile home parks with three or more spaces will be served with underground single-phase primary providing 120/240 volt secondary service under the following conditions:

- a) The park owner agrees to the installation of pad-mounted transformer and metering at mutually agreeable locations.
- b) The park owner provides utility easements for all cooperative underground service on private property and written evidence of consent for filing of record, an instrument locating the easement.
- c) The park owner agrees to dedicate the park and any extensions thereof, to underground electric service.
- d) The installation of an underground system is deemed by the cooperative to conform to its standards, policies and sound engineering and operational practices.

J. EFFECTIVE DATE

The provisions of the Line Extension and Secondary Service policy shall be effective October 1, 2017.

## XI. METERING

### A. POINT OF DELIVERY

The point of delivery at which electric energy is furnished to member will be at cooperative's meter on the member's premises, unless the point of delivery is otherwise defined by agreement between cooperative and member. The cooperative assumes no responsibility for damages incurred beyond the point where ownership of facilities change unless such damages are found to be a result of cooperative negligence.

### B. METER INSTALLATIONS

1. Normally, only one service lateral will be made available to a member's premises, not divided by firewall construction. Exceptions may be made at the cooperative's discretion.
2. The type of construction and route of the service connection will be determined by the cooperative and the member.
3. Services will not be run from building to building.
4. The minimum service entrance and service equipment shall be single phase, three-wire, 100 ampere. A variation will be permitted only after the prospective member assures the cooperative that a smaller service is adequate for the application.
5. Meters shall be located at a height of five (5) feet to six (6) feet above the finished grade when meter pedestals are not used
6. The member shall furnish, install, own and maintain all service entrance conductors, mounting equipment, switches, circuit breakers and service equipment. Meter receptacles will be furnished by the cooperative without charge.
7. If changes involve the replacement or relocation of entrance wires, entrance switches or other equipment, metering installations shall be provided at members expense and meet the requirements of the National Electric Code and any applicable governmental agency. Meter receptacles will be furnished by the cooperative without charge.

### C. SINGLE METERING OF A MULTIPLE BUILDING OPERATION

Members operating a single enterprise under one ownership and management where the property is continuous and not intersected by other properties, may arrange for metering at a single point of delivery. For safety purposes, crossing of

public property or private property under separate ownership to accommodate a segmented portion of the member's electrical requirements is not acceptable.

**D. LARGE POWER METERING**

The metering of each large power member shall be treated separately.

**E. MULTI-METERING INSTALLATIONS**

Where building or premises are occupied by more than one member, cooperative will set as many meters as there are separate applications for service. Building wiring shall be so arranged as to permit the installation of cooperative's meters adjacent to each other or a suitable location approved by the cooperative.

**F. METER SEALS**

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

**G. METER TESTING AND ACCURACY**

Meter accuracy testing will be conducted with calibrated test equipment. A minimum of 1 percent of the cooperative's active meters, per homogeneous group, will be tested for accuracy every year. All meters removed from service, for any reason, shall be considered random sampling, and shall be tested for accuracy, as well as inspected for safe operation before being placed back in service. If the cooperative fails to achieve the minimum testing threshold through normal business practices, the cooperative will pull random samples from homogeneous groups not meeting the threshold to fulfill the testing quota. Accuracy tests conducted shall reference ANSI Standard C 12-1. If a meter is found in error outside of the acceptable operating limits, the cooperative will investigate the cause and make the necessary corrections. The cooperative reserves the right to increase testing quota for any reason.

**H. MEMBERS' WIRING INSTALLATION**

1. All electric wiring and equipment installed beyond the point of attachment shall be at the expense of the member and shall be installed and maintained to meet or exceed the requirements of the National Electrical Code and any applicable governmental agency. The cooperative reserves the right to refuse to connect to any wiring or apparatus that does not meet these requirements.

2. The cooperative shall not be responsible for any loss, injury, or damage that result from defects in electrical wiring or equipment on the premises of the member.
3. The cooperative shall refuse to energize an electrical service when the cooperative has cause to believe the electrical installation on the premises of the member is unsafe.

I. MEMBER COMPLIANCE WITH SAFETY REQUIREMENTS

Service entrance, switch boxes, service cabinets, switches, fuse blocks, meter bases or sockets, conduit, wiring, connections and other equipment, and the installation thereof for the reception and control of electric energy delivered to member shall meet the requirements of National Electrical Code, and comply with the state and municipal codes insofar as they apply. In accordance with the ruling of the National Electrical Code, meter service boxes, conduits and wiring on member's premises will be provided by the member with an effective ground for the member's protection. (NEC Article 250)

J. ACCESS TO MEMBER'S PREMISES

The cooperative's representatives shall have free access to cooperative-owned equipment on the premises of the member at all reasonable hours for any reason.

K. TAMPERING WITH AND CARE OF COOPERATIVE'S PROPERTY

All meters, transformers, wires, regulators, and other equipment installed by the cooperative are the property of the cooperative. No one except representatives of cooperative or one otherwise lawfully entitled to do so shall be permitted to remove or tamper with cooperative's meter or connections, or with any of the property of the cooperative on or about the member's premises. The cooperative may discontinue service to a member and remove its facilities from the member's premises, without notice, if evidence is found that any portion of the cooperative's facilities has been tampered with in such a manner that the member may have received unmetered service. In such event, the member shall be required to bear all costs incurred by the cooperative for such alterations, in the judgment of the cooperative. If the meter or other equipment belonging to the cooperative is damaged or destroyed due to negligence or misuse by a member, any member of his family, or by any officer, agent or employee of member, then the cost of necessary repairs or replacements shall be paid by the member.

L. ESTIMATED USE

The cooperative may render a bill based on an estimated meter reading for any billing purpose when;

1. An actual meter reading cannot be taken because of a broken meter or other equipment failure.
2. The cooperative may not render a monthly bill based upon an estimated reading more than a total of six (6) times per year.
3. In situations where the meter is inaccessible or unreadable due to circumstances outside the cooperative's control, the cooperative may render an estimated bill as necessary.
4. When the cooperative renders an estimated bill in accordance with this section, it shall:
  - a) Clearly disclose on the bill it is based on estimated meter reading by showing the entire word "estimated"
  - b) Make any appropriate adjustment upon subsequent actual reading of the meter.

5. Proration

Proration of charges and adjustments shall be optional and at the sole discretion of the cooperative.

a) Energy Cost Adjustment (ECA)

Presently, the cooperative calculates the ECA charge for each billing period, and all services eligible for an ECA charge are adjusted accordingly for their use during the corresponding billing period. In the event an ECA changes during the course of a billing period, the adjustment will be prorated according to the number of days for each ECA value. More information about ECA tariff calculations are available on the cooperative's website.

b) Service Availability Charges and Private Area Lighting Service

The cooperative may choose to prorate the service availability charge and PAL service due to a connection or disconnection of service that does not coincide with the cooperative's standard billing cycle of 28 to 32 days.

M. NONSTANDARD METER INSTALLATIONS

When a member requests their meter(s) be installed outside the cooperative's typical installation parameters, the cooperative reserves the right to identify the associated costs with the non-standard installation and assess a special billing rider in the form of a one-time fee, recurring monthly fee, or both.

## XII. DISTRIBUTED GENERATION AND INTERCONNECTION

### A. APPLICABILITY

Applicable in the entire service territory and when an Distributed Generation member, (hereinafter “DG member”), seeks to physically connect such DG member's electric generation and interconnection facilities to, and may operate it in parallel with, the cooperative's distribution system. A DG member who has facilities that do not qualify for simplified interconnection pursuant to the technical requirements incorporated herein by reference, may negotiate a separate interconnection agreement with the cooperative and the terms and conditions of these rules and regulations, apply to such DG members to the extent the negotiated interconnection agreement does not conflict with these rules and regulations.

### B. PURPOSE

The purpose of these rules are to implement uniform interconnection standards that are not unduly burdensome or expensive but also ensure safety and reliability, to the extent governing authority is not preempted by federal law. These rules state the terms and conditions governing the interconnection and parallel operation of the DG member's facilities with the cooperative's distribution system.

### C. PROCEDURES

1. Any DG member seeking to physically connect facilities to the cooperative's distribution system and may be used in parallel operation with the cooperative's distribution system, shall file an *Application for Operation of Member-Owned Generation* (Exhibit A), and if not already a member, must complete an application for membership of the cooperative.
2. For facilities in which the referenced technical requirements for interconnection and parallel operation of distributed generation are applicable, the DG member and cooperative shall execute a Distributed Generation Interconnection Agreement (DGIA).
3. To the extent possible, interconnection to the cooperative's distribution system shall take place within the following time frames:
  - a) Where the cooperative requires no construction and the facilities qualify, the interconnection application shall be reviewed and notification of application acceptance shall be confirmed or denied within 30 business days of the cooperative's receipt of a completed interconnection application (Exhibit A) in compliance with the terms

and conditions of these rules. Prior to actual interconnection, the DG member must execute the DGIA.

- b) Dependent upon the complexity of the interconnection design and requirements, the cooperative shall provide the cost of the studies, construction, and system upgrades in as timely a fashion as reasonable to the DG member that complies with these rules.
- c) All interconnection applications, on cooperative supplied forms, shall be processed by the cooperative in a non-discriminatory manner. The cooperative shall promptly provide each DG member a written or electronic notification that the application has been received for processing.
- d) The cooperative shall provide each DG member with a consultation and a target date for processing the application. If application is not complete, the cooperative must provide a written notice within 15 business days of receipt of the application. The notice will contain a description of the information needed to complete the application and a statement that processing of the application cannot begin until the information is received.
- e) Distributed generation interconnection applications will be processed in the order they are received. It is recognized that certain interconnection applications may require minor modifications while they are being reviewed by the cooperative. Such minor modifications to a pending application shall not require it be considered incomplete and treated as a new or separate application. Minor modifications would not include the following: changes in facility size or location; any change requiring a new impact study; any other substantive change.
- f) If the cooperative determines it cannot connect the DG member's facilities in a timely manner, the cooperative will notify the DG member in writing as soon as possible. The notification will identify the reason or reasons DG service could not be performed within the time frame requested, and provide an estimated date for DG service.

#### D. INTERCONNECTION AND PARALLEL OPERATION OF DG MEMBER'S FACILITIES

1. The cooperative shall maintain a copy of the technical requirements for parallel generation service at its place of business such that the technical requirements are readily available to the public.

1. Standards adopted by IEEE shall be used in determining the technical requirements established by the cooperative to match the characteristics of each interconnection request. However, any interconnection made or initiated prior to the adoption of any national standard promulgated by IEEE shall be grandfathered. Regarding any IEEE minimum standard, or any guideline the IEEE may promulgate, the cooperative may amend the requirements to the minimum extent required to address unique local conditions and shall provide such amendments to the interconnection member. All technical requirements for interconnection, including superseding standards adopted by IEEE, are incorporated herein by reference.

E. SYSTEM IMPACT AND FACILITIES STUDIES

1. In instances where impact and facilities studies are required, the scope of such studies shall be based on the characteristics of the particular facilities to be interconnected and the cooperative's distribution system at the specific proposed location. By agreement between the cooperative and the DG member, studies related to interconnection of the facilities may be conducted by a qualified third party. The cost of these studies performed by the cooperative shall be included in the costs set forth in the interconnection fees section of these rules, as stated below.
2. The cooperative shall provide the DG member with a target date for completion of any required system impact or facilities study. The applicable results of any such study conducted by the cooperative may be shared with the DG member.

F. APPLICATION FEES

1. The cooperative shall charge each member that applies for DG service the following non-refundable application fee; payable at the time the interconnection application is submitted:

Non-refundable interconnections fees: \$200

2. In addition to the non-refundable interconnection application fee, if the application requires additional review, the member shall also pay the non-refundable supplemental review fee:

Non-refundable supplemental review fee: \$90/hr

3. In addition to the non-refundable fees previously mentioned, applications determined to also need a system impact study and facilities study to be completed, the following fees would apply:

Study fees:     \$2/kW deposit

G. CONSTRUCTION OR SYSTEM UPGRADE FEES

If the interconnection requires construction or an upgrade of the cooperative's distribution system, which, without the DG member's facilities would not be required, the DG member will be required to pay the actual costs of providing service to this location according to the cooperative's line extension and secondary service policy as described in Section IX.

H. GENERAL

Membership is required in order to receive service from The Victory Electric Cooperative Association, Inc. Information regarding membership, fees, deposits and membership requirements are available in previous sections of this document.

A DG facility not connected to the cooperative's distribution system in any way is known as "stand-alone" or "isolated" DG. The member may operate a DG facility in stand-alone or isolated fashion as long as such a DG facility does not adversely affect the cooperative's system. A DG facility connected in any way to the cooperative's distribution system shall be considered "parallel" or "interconnected." For purposes of this document, a DG facility is considered operating in "parallel" anytime it is connected to the cooperative's distribution system in any way, even if the member does not intend to export power. All provisions of this document shall apply to parallel operation of DG facilities as so defined.

This document is not a complete description or listing of all laws, ordinances, rules and regulations, nor is this document intended to be an installation or safety manual. The member requesting to interconnect a DG facility to the cooperative's distribution system is responsible for and must follow, in addition to all provisions of this document, the cooperative's tariffs for electric service, the policies and procedures of the cooperative's transmission service provider,

where applicable, the current IEEE 1547 Standard for Interconnecting Distributed Resources with Electric Power Systems, other applicable IEEE standards, applicable ANSI standards, including ANSI C84.1 Range A and any other applicable governmental and regulatory laws, rules, ordinances or requirements. All legal, technical, financial, etc., requirements in the following sections of this document must be met prior to interconnection of the DG facility to the cooperative's distribution system.

A member may serve all load behind the meter at the location serving the DG facility but will not be allowed to serve multiple meters, multiple consuming facilities, multiple members with a single DG facility, or under a single DG application without prior written approval from the cooperative.

DG facilities larger than 20 MW are not covered by this document and will be considered by the cooperative on a case-by-case basis.

## I. MEMBER'S INITIAL REQUIREMENTS

### 1. Notification

Anyone owning or operating a DG facility in parallel with the cooperative's distribution system must notify the cooperative of the existence, location and operational characteristics of the DG facility.

### 2. Service Request

- a) In advance of request for an interconnection, the member must contact the cooperative and complete and submit to the cooperative the "Application for Operation of Member-Owned Distributed Generation", in the form attached to this document.
- b) A separate application must be submitted for each facility

### 3. Submit a DG Plan

As a part of the application, the member shall submit a plan detailing the electrical design, interconnection requirements, size, and operational plans for the DG facility. Either at the time of submission or at any time during the review process, the cooperative may require additional information or may require the DG plan be prepared by a professional engineer registered with the State of Kansas.

## J. COOPERATIVE AND POWER SUPPLIER REVIEW PROCESS

### 1. Plan Review Process

- a) When construction of facilities by the cooperative or the transmission provider will be required to serve the DG facilities, the cooperative and its power supplier, if requested by the cooperative, will review the application and accompanying documents, plans, specifications, and other information provided and will return an interconnection analysis to the member within 60 days of receipt of final plans and specifications.
- b) If corrections or changes to the plans, specifications and other information are to be made by the member, the 60-day period may be reinitialized when such changes or corrections are provided to the cooperative. In addition, any changes to the site or project requiring new analysis by the cooperative may require additional cost and a new DG plan. The cost will be determined by the cooperative and shall be paid by the member.
- c) The member acknowledges and agrees that any review or acceptance of such plans, specifications and other information by the cooperative and/or its power supplier shall not impose any liability on the cooperative and/or its power supplier and does not guarantee the adequacy of the member's equipment or DG facility to perform its intended function. The cooperative and its power supplier disclaim any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost- effectiveness, safety, durability, or reliability of such DG installations.
- d) In the event it is necessary, at the time of initial interconnection or at some future time, for the cooperative and/or its power supplier to modify electric delivery systems in order to serve the member's DG facilities and/or purchase or continue to purchase the output of the member's DG facilities, or because the quality of the power provided by the member's DG adversely affects the cooperative's and/or its power supplier's delivery system, the member will be responsible to pay the cooperative and/or its power supplier in advance for all costs of modifications required for the interconnection of the member's DG facilities.

## K. SALES TO AND PURCHASE FROM A DG FACILITY

### 1. For all DG where the member desires to export power

- a) All DG facilities shall be billed under one of the cooperative's existing rate tariffs.
  - b) All sales of electric power and energy by the cooperative to a member shall be consistent with the applicable retail rate schedule established by the cooperative as if there were no DG installation at the member's premises, including any charges in the cooperative's parallel generation tariffs.
  - c) The member shall pay all rates and charges so listed.
  - d) Neither the cooperative nor its power supplier is under any obligation to purchase power from a NQF.
  - e) All self-generated energy must be consumed on-site. No wheeling of self-generated energy from one site to another site will be permitted.
2. The cooperative shall not be required to make any purchases that will cause the cooperative to no longer be in compliance with any applicable contracts or all-power contract requirements with its power supplier(s).

L. MEMBER'S RESPONSIBILITY PRIOR TO OPERATION

1. Line extension and modifications to cooperative facilities
  - a) As part of the interconnection analysis performed by the cooperative, the member will be provided with an estimate of any line extension or other cost to be incurred in providing electric delivery service to the member's DG facility.
  - b) Notwithstanding the cooperative's line extension policy, the member shall pay, in advance, the full cost of the construction of any transmission, substation, distribution, transformation, metering, protective or other facilities or equipment and installation which, at the sole discretion of the cooperative and/or its power supplier, is required to serve the member's DG facility.
  - c) In the event it is necessary at the time of the initial interconnection, or at some future time, for the cooperative and/or its power supplier to modify the electric delivery systems in order to serve the member's DG facility, and/or purchase or continue to purchase the member's output, or because the quality of the power provided by the member's DG facility adversely affects the cooperative and/or its power supplier's delivery system, the member will reimburse the

cooperative and/or its power supplier for all costs of modifications required for the interconnection of the member's DG facilities.

- d) In the event the cooperative changes primary voltage of facilities serving the DG facility, metering equipment, transformers and/or any other member-owned equipment must be changed to continue receiving service at the new primary voltage. The full cost of the change will be borne by the member.
- e) In all cases, the member shall pay the full cost of the installation of a visible load break disconnect switch by and to the sole specification of the cooperative. The switch will be readily accessible to cooperative personnel and of the type that can be secured in an open position by a cooperative lock.

## 2. Contracts

- a) Interconnection contract – The member will sign and deliver to the cooperative an distributed generation interconnection agreement in the form and substance acceptable to the cooperative.
- b) Energy purchase agreement (where the member with a QF desires to deliver power or, in the case of a member with a NQF, the cooperative agrees to purchase power)
- c) ≤ 50 kW: Net Metering – As outlined in the cooperative's tariffs
- d) > 50 kW and < 20 MW – As outlined in the cooperative's tariffs
- e) > 20 MW – Not covered in this document
- f) Initial interconnection
- g) Upon satisfactory completion of the review process and execution of required agreements as outlined in this document, the cooperative will begin installation of the interconnection of DG facilities. The interconnection will be completed as soon as practical after completion of the review process and execution of the necessary agreements/contracts. After completion of interconnection requirements and prior to initiation of service, the cooperative will conduct a final inspection of the facilities and interconnection to the cooperative's system. Upon satisfactory final inspection, the cooperative will initiate service to the member.
- h) The cooperative's review process and final inspection is intended as a means to safeguard the cooperative's facilities and personnel. The member acknowledges and agrees any review or acceptance of such plans, specifications and other information by the cooperative and/or its power supplier, shall not impose any liability on the

cooperative and/or its power supplier and does not guarantee the adequacy of the member's equipment or DG facility to perform its intended function. The cooperative and its power supplier disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warranty the efficiency, cost-effectiveness, safety, durability, or reliability of such DG installations.

**M. REFUSAL TO INTERCONNECT OR DISCONNECTION OF SERVICE**

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

**N. OPERATION OF PARALLEL FACILITY**

The purpose of this section is to outline the cooperative's operational requirements for DG facilities operated in parallel with the cooperative's system and is not intended to be a complete listing of all operational, regulatory, safety and other requirements.

**1. Ownership of Facilities**

The member shall own and be solely responsible for all expenses, installation, maintenance and operation of all facilities, including all power generating facilities, at and beyond the point of delivery as defined in the cooperative's tariffs.

**2. Self-Protection of DG facilities**

- a) The member will furnish, install, operate and maintain in good order and repair all equipment necessary for the safe operation of DG facilities operated in parallel with the cooperative system.
- b) The member's equipment will have capability to both establish and maintain synchronism with the cooperative system and to automatically disconnect and isolate the DG facility from the cooperative system.
- c) The member's DG facility will be designed, installed and maintained to be self-protected from normal and abnormal conditions on the cooperative system including, but not limited to, overvoltage, undervoltage, overcurrent, frequency deviation, and faults. Self-

protection will be compatible with all applicable cooperative protection arrangements and operating policies.

- d) Additional protective devices and/or functions may be required by the cooperative when, in the sole judgment of the cooperative, the particular DG facility installation and/or the cooperative system characteristics so warrant.

### 3. Quality of service

- a) The member's DG facility will generate power at the nominal voltage of the cooperative's system at the member's delivery point as defined by ANSI C84.1 Range A.
- b) Member's DG installation will generate power at a frequency within the tolerances as defined by IEEE 1547.
- c) Member's DG facility shall produce power at a minimum power factor of at least 95 percent or shall use power factor correction capacitors to ensure at least a 95 percent power factor.
- d) Member's DG facility shall be in accordance with the power quality limits specified in IEEE 519.
- e) The overall quality of the power provided by the member's DG facility including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges and power factor, will be such that the cooperative system is not adversely affected in any manner.
- f) In the event the adverse effects are caused in whole, or in part by, the member's DG facility, the member will correct the cause of such effects within 30 days, reimburse the cooperative for required correction, or be disconnected from the cooperative system.

### 4. Safety disconnect

- a) The member shall install a visible load break disconnect switch at the member's expense and to the cooperative's specifications.
- b) The switch will be located so as to be readily accessible to cooperative personnel in a location acceptable to both the member and cooperative.
- c) The switch shall be a type that can be secured in an open position by a lock owned by the cooperative. If the cooperative has locked the

disconnect switch open, the member shall not operate or close the disconnect switch.

- d) The cooperative shall have the right to lock the switch open when, in the judgment of the cooperative:
  - It is necessary to maintain safe electrical operating and/or maintenance conditions,
  - The member's DG adversely affects the cooperative system, or
  - There is a system emergency or other abnormal operating condition warranting disconnection.
- e) The cooperative reserves the right to operate the disconnect switch for the protection of the cooperative system even if it affects the member's DG facility. In the event the cooperative opens and/or closes the disconnect switch:
  - The cooperative shall not be responsible for energization or restoration of parallel operation of the DG facility.
  - The cooperative will make reasonable efforts to notify the member.
- f) The member will not bypass the disconnect switch at any time for any reason.
- g) Signage may be placed by the cooperative at the member's expense and located at the disconnect indicating the purpose of the switch along with contact names and numbers of both the member and the cooperative.
- h) Members with DG facilities as defined in this document which are solely for the purpose of emergency backup or peak shaving without intent to export power shall not operate their DG facilities at any time unless visibly disconnected from the cooperative system. At its sole discretion, the cooperative may require member to install, at his/her own expense, an interlocking switch for the purpose of insuring the member's facilities do not operate in parallel with the cooperative's facilities.
- i) Should the cooperative lose power serving the member's DG facilities for any reason, members with DG facilities shall not operate their DG facilities unless visibly disconnected from the cooperative system.

## 5. Access

- a) Persons authorized by the cooperative will have the right to enter the member's property for purposes of testing, operating the

disconnect switch, reading or testing the metering equipment, maintaining right-of-way or other DG facility equipment. Such entry onto the member's property may be without notice.

- b) If the member erects or maintains locked gates or other barriers, the member will furnish the cooperative with convenient means to circumvent the barrier for full access for the above-mentioned reasons.

#### 6. Insurance and Liability for Injury and/or Damages

- a) Liability Insurance

At the time the DG member executes the interconnection agreement, the DG member must provide the cooperative with proof of insurance or other suitable financial instrument sufficient to meet its construction, operating and liability responsibilities pursuant to the rules. At no time shall the cooperative require the DG member to negotiate any policy or renewal of any policy covering any liability through a particular insurance cooperative, agent, solicitor, or broker.

- b) The member assumes full responsibility for electric energy furnished at and past the point of interconnection and shall indemnify the cooperative and/or its power supplier against and hold the cooperative and/or its power supplier harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by member arising from electric power and energy delivered by the cooperative or in any way arising directly or indirectly from the member's DG facility.
- c) The cooperative and/or its power supplier shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and waveform fluctuations occasioned by causes reasonably beyond the control of the cooperative and/or its power supplier including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction. All provisions notwithstanding, in no event shall the cooperative be liable to the member for any interest, loss of anticipated revenue, earnings, profits or increased expense of operations, loss by reason of shutdown or non-operation of member's premises or facilities for

any indirect, incidental or consequential, punitive or exemplary damages arising out of or related, in whole or part, to these rules. The cooperative shall not be liable in any event for consequential damages. The member is solely responsible for ensuring his/her facility complies with all applicable regulations including, but not limited to, laws, regulations, ordinances, cooperative and cooperative power supplier tariffs, policies and directives, policies and directives.

#### 7. Metering/Monitoring

The need for additional revenue metering or modifications to existing metering will be reviewed on a case-by-case basis and shall be consistent with current cooperative metering requirements. Any metering installation, testing, or recalibration required by the installation of the DG member's facilities equipment shall be provided by the cooperative. The DG member shall furnish a suitable location for the cooperative owned metering equipment. A single meter with bi-directional capability will be required and supplied by the cooperative.

- a) The cooperative shall specify, install and own all metering equipment.
- b) Facilities  $\leq 50$  kW

The facility will be net metered by one of the following methods, at the sole discretion of the cooperative:

- Installing a single meter which runs forward and backward or;
- Installing two meters, each measuring the flow of energy in a single direction and netting the energy consumption between the two meters to determine the net monthly flow of energy

- c) Facilities  $> 50$  kW

- Power transfer at the point of interconnection will be measured by metering equipment as installed and specified at the sole discretion of the cooperative.
- There shall be no net metering.

- d) For acquiring metering data, the meter shall be read at a time or times of month determined at the cooperative's sole discretion. The member shall provide the cooperative an approved communications link at the member's cost for this purpose if so requested by the cooperative. The type of communications link and metering

equipment measuring purchase of power by the cooperative shall be installed and specified at the sole discretion of the cooperative.

- e) The cooperative may, at its sole discretion, require the member to pay the cooperative in advance for metering and monitoring equipment and installation expense.
- f) Meter testing shall follow the cooperative's standard policy on metering testing and accuracy.
- g) At its sole discretion, the cooperative may meter the facility at primary or secondary level.

#### 8. Notice of change in installation

- a) The member will notify the cooperative in writing thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the DG facility.
- b) If any modification undertaken by the member creates conditions that may be unsafe or adversely affect the cooperative system, the member shall immediately correct such conditions or be subject to immediate disconnection from the cooperative system.
- c) Any change in the operating characteristics of the DG facility including, but not limited to, size of generator, total facility capacity, nature of facility, fuel source, site change, hours of operation, or type used, may require a new application process, including, but not limited to, application form, application fee, DG plan and DG plan review by the cooperative.

#### 9. Testing and record keeping

- a) The member will test all aspects of the protection systems up to and including tripping of the generator and interconnection point at start-up and thereafter as required. Testing will verify all protective set points and relay/breaker trip timing and shall include procedures to functionally test all protective elements of the system. The cooperative may witness the testing.
- b) The member will maintain records of all maintenance activities, which the cooperative may review at reasonable times.
- c) For systems greater than 500 kW, a log of generator operations shall be kept. At a minimum, the log shall include the date, generator time on, generator time off, and megawatt and megavar output. The cooperative may review such logs at reasonable times.

#### 10. Disconnection of Service

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

#### 11. Compliance with Laws, Rules and Tariffs

The DG installation owned and installed by the member shall be installed and operated, subject to and in accordance with the terms and conditions set forth in the cooperative's rules, regulations, bylaws, rates and tariffs, as amended from time to time, and, if applicable, approved by the cooperative's board of trustees, which are incorporated herein by reference, and in compliance with all applicable federal, state and local laws, regulations, zoning codes, building codes, safety rules, environmental restrictions, ordinances and regulations, including without limitation and in accordance with industry standard prudent engineering practices.