TARIFF FOR ELECTRIC SERVICE

KERRVILLE PUBLIC UTILITY BOARD

2250 MEMORIAL BOULEVARD
KERRVILLE, TEXAS 78028

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UTILITY OPERATIONS

The Kerrville Public Utility Board (KPUB) is a municipally owned electric utility engaged in the purchase, distribution, and sale of electricity wholly within the territory of Kerr County certificated to it by the Public Utility Commission of Texas through the Certificate of Convenience and Necessity No. 30187 dated October 22, 1987.

On February 10, 1987, the City Council of Kerrville, Texas approved Resolution No. 87-106 naming a five member board of trustees pursuant to Article 1115 Revised Civil Statutes of Texas and calling for an election for approval of issuance of bonds for the purpose of acquiring the Kerrville District Electric Distribution System (System) from the Lower Colorado River Authority. Voter approval was obtained on March 17, 1987 and the City Council approved Bond Ordinance 87-45 on November 24, 1987 officially establishing and empowering KPUB for the purpose of controlling, managing and operating the System as well as authorizing the issuance of Electric System Revenue Bonds for acquisition, extension and improvement of the System.

KPUB is an enterprise fund of the City of Kerrville, Texas and as such is included in the City's Comprehensive Annual Financial Report. The City has exclusive original jurisdiction over the rates charged for electric service to ratepayers residing both within and outside the City's boundaries and within its certified service area.

CITIES AND COUNTIES SERVED

Cities

Kerrville
Center Point
Ingram
Hunt (unincorporated)

Counties

Kerr

RATE SCHEDULES

RESIDENTIAL SERVICE

RATE SCHEDULE - RS

APPLICATION

Applicable throughout the service area for all electric service supplied at one point of delivery and measured through one meter required exclusively for domestic purposes by individual (single family) private residents, individually metered apartment units and farm homes.

Not applicable to businesses, licensed boarding or rooming houses, camps, fraternity or sorority houses advertised as such, educational institutions, churches or facilities, or apartment houses, whose units are not individually metered, including the common facility requirements of residence also used for business purposes, evidenced by any form of advertising, including separate white page telephone listing, which will be served under the appropriate commercial service rate schedule. Not applicable to shared, standby, or resale service.

CHARACTER OF SERVICE

Service under this rate schedule shall be alternating current, 60 Hertz, single phase, at the customer's option of standard available voltages. KPUB may, at its option, provide three-phase service when individual motors rated at 7.5 horsepower or larger are connected.

MONTHLY RATE

CHARGE		*AMOUNT*
CUSTOMER CHARGE: Meter, Meter Reading, and Billing Charge		$16.75
DISTRIBUTION	All kWh	$0.02088 per kWh
POWER SUPPLY	All kWh	$0.04543 per kWh

Plus an amount calculated in accordance with Rider PCA.

Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

MINIMUM CHARGE

The monthly minimum charge shall be the sum of the "Customer Charge" and all applicable rate adjustments.

PAYMENT

Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount. Upon proof of age of over 60 years the penalty for past due bills shall be waived.

REQUIREMENTS FOR COMMERCIAL RATE CLASSIFICATIONS SCS, MCS, LCS

APPLICATION

The following requirements apply to Small Commercial Service (SCS), Medium Commercial Service (MCS), and Large Commercial Service (LCS). These provisions are cumulative and in addition to all other applicable provisions.

INITIAL RATE CLASS ASSIGNMENT

At the time an application for service is received, KPUB will assign each commercial customer to the rate class that, in KPUB's judgment, best reflects the customer's expected demand and service characteristics, based on the information reasonably available to KPUB. KPUB may, in its sole discretion, consider expected load, connected load, business type, operating hours, equipment, premises size, prior utility records, and other relevant information.

CUSTOMER REQUEST FOR CLASS ASSIGNMENT

A customer may request assignment to a particular commercial rate class. The request shall be in writing and supported by information reasonably requested by KPUB. KPUB may approve or deny the request based on the customer's eligibility under this Tariff. No customer has a right to remain in, or be placed in, a rate class for which KPUB determines in its sole discretion the customer does not satisfy the applicable requirements.

RECLASSIFICATION BASED ON DEMAND HISTORY

KPUB may reclassify a customer to a higher commercial rate class if the customer's maximum demand exceeds the applicable threshold in any three (3) billing months during any rolling twelve (12) month period. Reclassification may be made effective beginning with the next billing cycle following the qualifying demand history, or such other date as KPUB determines is administratively practical. If a customer is reclassified to a higher class, the customer shall remain in the higher class until KPUB determines that the customer has demonstrated, to KPUB's satisfaction, that the customer's demand no longer supports the higher classification.

NOTICE AND REVIEW

Before any reclassification becomes effective, KPUB shall provide written notice stating the basis for the proposed class change. The customer may request review within 15 days after notice is sent. Upon timely request, KPUB shall review the customer's applicable billing records, meter data, and relevant information submitted by the customer. The customer may present credible evidence that the recorded demand was not representative due to abnormal operating conditions, temporary equipment changes, meter malfunction, vacancy, shutdown, construction, or similar circumstances. After consideration of all the information it has reviewed, KPUB shall issue its determination in writing after review.

UTILITY ADMINISTRATION

Notwithstanding any other provision of these Tariffs, KPUB shall not be liable for damages, claims, or losses arising from the placement of a customer into a particular commercial rate class, a good-faith billing correction, customer reclassification, an estimate, or any billing adjustment.

SMALL COMMERCIAL SERVICE
RATE SCHEDULE - SCS

APPLICATION
Applicable throughout the service area to all electric service required for lighting, power and any other purpose, other than residential service as defined in Rate Schedule – RS, where the maximum demand is less than 25kW.

Not applicable to standby, shared, or resale service.

CHARACTER OF SERVICE
Service under this rate schedule shall be alternating current, 60 Hertz, single or three phase, at the customer's option of standard available secondary voltages.

MONTHLY RATE

CHARGE			AMOUNT
CUSTOMER CHARGE			$33.00
DISTRIBUTION	Energy	All kWh	$0.02112 per kWh
POWER SUPPLY		All kWh	$0.04443 per kWh

Plus an amount calculated in accordance with Rider PCA.
Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

MINIMUM CHARGE
The monthly minimum charge shall be the sum of the "Customer Charge" and all applicable rate adjustments.

PAYMENT
Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount.

MEDIUM COMMERCIAL SERVICE
RATE SCHEDULE - MCS

APPLICATION
Applicable throughout the service area to all electric service required for lighting, power and any other purpose, other than residential service as defined in Rate Schedule – RS where the maximum demand is 25kW or greater, but less than 400kW. Not applicable to standby, shared, or resale service.

CHARACTER OF SERVICE
Service under this rate schedule shall be alternating current, 60 Hertz, single or three phase, at the customer's option of standard available secondary voltages.

MONTHLY RATE

CHARGE			AMOUNT
CUSTOMER CHARGE			$33.00
DISTRIBUTION	Energy	All kWh	$0.01672 per kWh
	Demand	All kW	$1.50 per kW
POWER SUPPLY		All kWh	$0.04443 per kWh

Plus an amount calculated in accordance with Rider PCA.

Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

DEMAND DETERMINATION
The billing demand each month shall be the greater of:

a) The highest kW recorded at the point of delivery in any 30 minute period during the current month

b) 70% of the highest billing demand during the immediately preceding 11 months

The billing demand shall be adjusted to an equivalent 90% power factor when the power factor measured at the time of highest kW is less than 90%.

MINIMUM CHARGE
The monthly minimum charge shall be the sum of the "Customer Charge", the "Demand Charge", and all applicable rate adjustments.

PAYMENT

Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount.

AGREEMENT

An Agreement for Electric Service with a minimum term of one year is required for customers having or expecting to have maximum electrical loads of 50 kW or more.

LARGE COMMERCIAL SERVICE
RATE SCHEDULE – LCS

APPLICATION

Applicable throughout the service area to all electric service required for lighting, power and any other purpose, other than residential service as defined in Rate Schedule – RS, where the maximum demand in any month is 400 kW or greater and for which no specific rate schedule is available.

Not applicable to temporary, standby, shared, or resale service.

CHARACTER OF SERVICE

Service under this rate schedule shall be alternating current, 60 Hertz, three phase, at the customer's option of standard available voltages.

MONTHLY RATE

CHARGE			AMOUNT	
			Secondary Voltage (LCS-S)	Primary Voltage (LCS-P)
CUSTOMER CHARGE			$275.00	$275.00
DISTRIBUTION	Energy	All kWh	$0.00580 per kWh	$0.00501 per kWh
	Demand	All kW	$8.00 per kW	$8.00 per kW
POWER SUPPLY		All kWh	$0.03643 per kWh	$0.03493 per kWh

Plus an amount calculated in accordance with Rider PCA.

Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

DEMAND DETERMINATION

The billing demand each month shall be the greater of:
The highest kW recorded at the point of delivery in any 30 minute period during the current month
70% of the highest billing demand during the immediately preceding 11 months
325 kW
50% of the contract kW specified in the Agreement for Electric Service (waived after two years).

The billing demand shall be adjusted to an equivalent 90% power factor when the power factor measured at the time of highest kW is less than 90%.

MINIMUM CHARGE
The monthly minimum charge shall be the sum of the "Customer Charge", the "Demand Charge", and all applicable rate adjustments.

PAYMENT
Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount.

AGREEMENT
Service under this rate schedule requires that the customer execute a contract for a minimum term of one year for a specified contract demand.

OUTDOOR AREA LIGHTING
RATE SCHEDULE -OAL

APPLICATION
Applicable throughout the service area to year-round unmetered outdoor security lighting of areas not covered by any other rate schedule.

Not applicable to street lighting, standby, shared, or resale service.

CHARACTER OF SERVICE
Service under this rate schedule shall be alternating current, 60 Hertz, single phase. Lamps will be operated from dusk to dawn, or approximately 4,300 hours per year per lamp, and controlled by photoelectric control.

MONTHLY RATE

Area Lights

TYPE	*WATTS*	*LUMENS*	*kWh*	*AMOUNT*
LED	48	5,000	17	$5.35
POWER SUPPLY			All kWh	$0.03162 per kWh

Flood Lights

TYPE	*WATTS*	*LUMENS*	*kWh*	*AMOUNT*
LED	56	5,000	20	$7.49
	157	15,000	56	$12.46
	315	30,000	113	$16.51
POWER SUPPLY			All kWh	$0.03162 per kWh

Plus an amount calculated in accordance with Rider PCA.

Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

MINIMUM CHARGE
The monthly minimum charge shall be the sum of the stated charge per lamp and all applicable rate adjustments.

PAYMENT

Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount.

AGREEMENT

Service under this rate schedule requires that the customer execute a contract for a minimum term of 36 months.

SPECIAL CONDITIONS

The following conditions will apply to all facilities installed by KPUB under this rate schedule:

a. Lighting to be provided under this rate schedule shall be on KPUB poles at locations which are easily and economically accessible to KPUB equipment and personnel for construction and maintenance.

b. KPUB will maintain all facilities incidental to providing this service, including replacement of burned-out lamps.

c. Service at locations where existing KPUB-owned poles and facilities are not available will be made at the discretion of KPUB and at an additional charge to cover the cost of installing and maintaining poles, transformers, and conductor.

d. KPUB reserves the right to refuse or discontinue service at locations where excessive maintenance and/or lamp replacements are, in KPUB's sole judgment, likely to or actually do occur.

e. The cost of repairing facilities damaged by acts of vandalism shall be billed to the customer receiving service under this rate schedule at the actual cost to KPUB, including all appropriate overheads.

f. KPUB shall, at the request of the customer, relocate or change existing equipment and the customer shall reimburse KPUB for any and all such relocations or changes at actual cost to KPUB, including all appropriate overheads.

g. New area lighting facilities shall be of a form and substance consistent with KPUB's approved standard configuration for area lighting at the time of the customer's application for service. Where a nonstandard lighting configuration is requested by the customer, all maintenance and replacement costs shall be borne by the customer, should KPUB agree to the installation of the nonstandard facilities.

STREET LIGHTING SERVICE
RATE SCHEDULE - SL

APPLICATION

Applicable throughout the service area to all electric service for the lighting of public right-of-ways and thoroughfares where the lighting facilities are connected to or can readily be connected to KPUB's existing distribution system.

CHARACTER OF SERVICE

Service under this rate schedule shall be alternating current, 60 Hertz, single phase. Lamps will be operated from dusk to dawn, or approximately 4,300 hours per year per lamp, and controlled by photoelectric control.

MONTHLY RATE

Metered Lights

CHARGE		*AMOUNT*
CUSTOMER CHARGE: Meter, Meter Reading, and Billing Charge		$10.25
DISTRIBUTION	All kWh	$0.1302 per kWh
POWER SUPPLY	All kWh	$0.03274 per kWh

Street Lights

TYPE	*WATTS*	*LUMENS*	*kWh*	*AMOUNT*
LED	51	5,000	18	$14.03
	107	10,000	38	$23.60
	213	20,000	76	$23.79
POWER SUPPLY			All kWh	$0.03162 per kWh

KPUB Installed Light Pole

TYPE	*AMOUNT*
Standard Underground Fed Pole (Fiberglass or Steel)	$11.76
Ornamental Pole	$24.94

String Lights

TYPE	*AMOUNT*
KUTS Standard String Light Installation	$181.05

Plus an amount calculated in accordance with Rider PCA.

Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

MINIMUM CHARGE
The monthly minimum charge shall be the sum of the stated charge per lamp and all applicable rate adjustments.

PAYMENT
Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount.

AGREEMENT
Service under this rate schedule requires that the customer execute a contract for a minimum term of 36 months.

SPECIAL CONDITIONS
The following conditions will apply to all facilities installed by KPUB under this rate schedule:

a. Lighting to be provided under this rate schedule shall be at locations which are easily and economically accessible to KPUB equipment and personnel for construction and maintenance.

b. KPUB will maintain all facilities incidental to providing this service, including replacement of burned-out lamps.

c. Service at locations where existing KPUB-owned poles and facilities are not available will be made at the discretion of KPUB and at an additional charge to cover the cost of installing and maintaining poles, transformers, and conductor.

d. KPUB reserves the right to refuse or discontinue service at locations where excessive maintenance and/or lamp replacements are, in KPUB's sole judgment, likely to or actually do occur.

e. The cost of repairing facilities damaged by acts of vandalism shall be billed to the customer receiving service under this rate schedule at actual cost to the KPUB, including all appropriate overheads.

f. KPUB shall, at the request of the customer, relocate or change existing equipment and the customer shall reimburse KPUB for any and all such relocations or changes at actual cost to KPUB, including all appropriate overheads.

g. New street lighting facilities shall be of a form and substance consistent with KPUB's approved standard configuration for street lighting at the time of the customer's application for service. Where a nonstandard lighting configuration is requested by the customer, all maintenance and replacement costs shall be borne by the customer, should KPUB agree to the installation of the nonstandard facilities.

BURNED VETERANS' DISCOUNT PROGRAM
RIDER BVDP

AVAILABILITY

This rider is available only in conjunction with full service electric residential accounts for customers who meet the following eligibility requirements:

1. Applicant is a military veteran who has significantly decreased ability to regulate his or her body's core temperature because of severe burns received during armed conflict or in combat.
2. Applicant shall complete the Burned Veterans' Discount Application and provide confirmation from a military medical facility that the applicant has met the above criteria. Medical confirmation will be required every 12 months to continue program participation.
3. Only the applicant's primary residence that he or she currently occupies is eligible for the discount. The discount will apply even if the veteran is not the customer of record.
4. Applicant will be eligible for other available rate discounts, but only one discount at a time will be applied to the bill.

CONDITIONS

The current rules and regulations shall apply to the Program, including the payment and collection process.

MONTHLY RATE

The monthly bill will be calculated in accordance with the corresponding full service electric rate less a discount of $90.00 per month during the months of April through October. This discount shall not result in a credit balance to the monthly bill of any Customer receiving this discount.

COMMUNITY SOLAR for LOW and MODERATE INCOME HOUSEHOLDS RIDER CSLMIH

AVAILABILITY

This rider is available only in conjunction with full service electric residential accounts for meters serving Low- and Moderate-Income (LMI) households meeting the following eligibility requirements:

1. Households must meet the guidelines established by the U.S. Department of Housing and Urban Development (HUD) to qualify as a LMI household.
2. Owner occupied housing and rental housing are eligible for the Program.
3. Property owner shall complete the Community Solar LMI Household Application and provide necessary documentation. Owner occupants shall provide documentation of income levels. Property owners of rental housing shall provide documentation from appropriate government entity that establishes the housing as LMI qualified.

CONDITIONS

The current rules and regulations shall apply to the Program, including the payment and collection process.

Households enrolled in this Program will not be allowed to install Distributed Generation. Installation of any Distributed Generation system may result in the disqualification and removal of the household from this Program at KPUB's sole discretion.

KPUB reserves the right to discontinue the Program at any time.

KPUB will install Community Solar System(s) connected to the KPUB System and dedicate a portion of the output for serving LMI households. KPUB may establish additional program rules and open enrollment periods from time to time. For each enrollment period KPUB will allocate shares of solar energy to each household based on the number of qualified applicants, the quantity of solar energy available, and the energy requirements of the eligible LMI households. KPUB may establish additional evaluation and selection criteria including evaluating the energy efficiency of the housing units and efforts taken by the property owner to make energy efficiency improvements.

MONTHLY RATE

The monthly bill will be calculated in accordance with the corresponding full service electric rate.

KPUB will calculate a per kWh solar discount equal to the Community Solar kWh rate minus the total Distribution, Power Supply and PCA kWh rate. The Community Solar kWh rate will be calculated to recover the solar rate paid by KPUB, ground lease costs, one half of line extension costs and the transfer to the City of Kerrville.

On a separate line item the Customer will receive a credit based on the allocated solar energy times the per kWh solar discount. If the calculation were to result in a charge, no charge will be applied.

Example: Residential credit using November 2026 rates:

Community Solar kWh Rate Calculation:

	Amount per kWh
Indicative KPUB Solar Purchase Rate	$0.06317
Ground Lease Cost	$0.00384
Half of Line Extension Cost	$0.00170
Subtotal	$0.06871
City Transfer (3%)	$0.00206
Total	$0.07077

Solar Credit Calculation:

	Amount per kWh
Distribution Rate	$0.02088
Power Supply Rate	$0.04543
PCA	$0.04094
Total Distribution, Power Supply, and PCA kWh Rate	$0.10725

Solar Discount per kWh = $0.07077 − $0.10725 = −$0.03648

Example Customer Bill Calculation (750 kWh Consumed and 500 kWh Solar credit)

	kWh	Amount per kWh	Amount
Customer Charge			$16.75
Distribution Charge	750	$0.02088	$15.66
Power Charge	750	$0.04543	$34.07
PCA	750	$0.04094	$30.71
Solar Credit	500	-$0.03648	-$18.24
Total			$78.95

POWER COST ADJUSTMENT
RIDER PCA

APPLICATION

Applicable to all rate schedules which include sales of electric energy through kWh billing.

The monthly bill for power supply charges computed in accordance with the appropriate electric rate schedule shall be increased or decreased by the Power Cost Adjustment (PCA). The PCA is a charge per kWh that is used to ensure an adequate revenue stream to cover all power and transmission costs.

METHOD OF CALCULATION

The Power Cost Adjustment (PCA) is calculated for the current billing month using the following formulas:

Power Cost Adjustment Formulas:

Primary Voltage PCA $$\frac{((A+B+C)-F)/(D+E)}{1-G}$$

Secondary Voltage PCA $$\frac{((A+B+C)-F)/(D+E)}{1-H}$$

	Description
A	Base Year (FY2025) Actual Power Cost
B	+/- Adjustment to maintain stable rates
C	+/- Adjustment for current year prices
D	Base Year (FY2025) Actual kWh Sales
E	+/- Adjustment for current year kWh sales
F	2025 Rate Study Fixed Power Supply Costs (Debt + Transmission)
G	Assumed Loss - Primary Voltage
H	Assumed Loss - Secondary Voltage

Rates may be stabilized through over- or under-collection of power supply costs and transfers to and from the Rate Stabilization Fund within limits established by Resolution of the Kerrville Public Utility Board.

The PCA and Power Supply Charge are expressed as $/kWh and shall both be calculated to the nearest $.00001.

DISTRIBUTED GENERATION
RIDER DG

AVAILABILITY
Customers requesting interconnection and parallel operation of Distributed Generation("DG") shall complete the Application for Interconnection and Parallel Operation of Distributed Generation ("Application") with the KPUB System contained in these Tariffs. For purposes of this rate schedule, Distributed Generation refers to an electrical generating facility located at a Customer's point of delivery of ten megawatts (10 MW) or less and connected to the KPUB distribution system at a standard available voltage less than or equal to 60 kilovolts (kV) and 60 Hertz alternating current.

AGREEMENT
Upon determination by KPUB that the Customer's facility is consistent with the safe and reliable operation of the KPUB's distribution system, KPUB and Customer shall enter into an Agreement for Interconnection and Parallel Operation of Distributed Generation ("Interconnection Agreement") contained in this Tariff, which sets forth the contractual conditions under which KPUB and Customer agree that one or more facilities may be interconnected with KPUB's distribution system.

DISTRIBUTION SERVICE TO DG
Distribution service provided to a Customer operating Distributed Generation in parallel with the KPUB's distribution system is available pursuant to this Tariff and agreements for such distribution service.

SPECIAL CONDITIONS
1. **Pre-Interconnection studies** - KPUB may perform pre-interconnection studies, which shall include service study, coordination study, and utility system impact study, as needed and determined in the sole discretion of KPUB. In instances where such studies are deemed necessary, the scope of such studies shall be based on the characteristics of the particular distributed generation facility to be interconnected and the KPUB's distribution system at the specific proposed location. KPUB may charge Customer fees for Pre Interconnection Studies that recover the costs of performing such studies. Any modifications or additions to KPUB's Electric System identified through the pre-interconnection study as required for the safe and reliable interconnection of Customer's facility shall be solely at the Customer's expense. Customer shall not acquire any ownership in such modifications or additions to KPUB's Electric System.

2. **Technical Requirements** - Customer's installation must comply with the technical requirements and procedures set forth in The Public Utility Commission of Texas Substantive Rule 25.212 for safe and effective connection and operation of Distributed Generation, which describes typical interconnection requirements. KPUB may require Customer to install and use more sophisticated protective devices and operating schemes when the DG facility is exporting power to KPUB's system or when otherwise required due to specific interconnection location and condition.

3. **Disconnection and reconnection** – KPUB may disconnect a distributed generation unit from the KPUB system under the following conditions:
   1) **Expiration or termination of Interconnection Agreement** – The Interconnection Agreement specifies the effective term and termination rights of KPUB and Customer. Upon expiration or termination of the Interconnection Agreement with a Customer, in accordance with the terms of the agreement, KPUB may disconnect Customer's facilities.
   2) **Non-compliance with the Technical Requirements –** KPUB may disconnect a distributed generation facility if the facility is not in compliance with the Technical Requirements specified herein. Within two business days from the time the Customer notifies KPUB that the facility has been restored to compliance with the Technical Requirements, KPUB shall have an inspector verify such compliance. Upon such verification, the Customer in coordination with KPUB may reconnect the facility.
   3) **System emergency** – KPUB may temporarily disconnect a Customer's facility without prior written notice in cases where continued interconnection will endanger persons or property. During the forced outage of KPUB's system, KPUB shall have the right to temporarily disconnect a Customer's facility to make immediate repairs on the KPUB system.
   4) **Routine maintenance, repairs, and modification** – KPUB may disconnect a Customer or a Customer's facility with prior notice of a service interruption for routine maintenance, repairs, and KPUB system modifications. KPUB shall reconnect the Customer as quickly as reasonably possible following any such service interruption.
   5) **Lack of approved Application and Interconnection Agreement** – In order to interconnect distributed generation to the KPUB system, a Customer must first submit to KPUB an Application for interconnection and parallel operation with the KPUB system and execute an Interconnection Agreement. KPUB may refuse to connect or may disconnect the Customer's facility if such application has not been received and approved and an Interconnection Agreement executed.

MONTHLY RATE

A. If the Customer's Distributed Generation requires the installation of an additional meter, the Customer shall pay Kerrville Public Utility Board a charge to cover administrative, billing, and metering costs in accordance with the Customer Charge established under the Customer's applicable electric service rate schedule, as amended from time to time.

B. Kerrville Public Utility Board shall compensate the Customer for all electric energy received from the Customer's Distributed Generation system at the Power Supply Charge established under the Customer's applicable electric service rate schedule, plus an amount calculated in accordance with Rider PCA.

ECONOMIC DEVELOPMENT
RIDER ED

AVAILABILITY

This rider is available only in conjunction with full service electric commercial accounts for businesses meeting the following eligibility requirements:

1. Primary Industries
    a. Available to existing and new customers making significant business expansion in targeted primary industries.
    b. Existing business expansion must be made at a new metering point.
    c. Application for Economic Development Support must be made to and approved by the Economic Development Go Team.
    d. KPUB must determine that this Rider ED is a significant factor to induce the qualifying Customer to locate or expand and receive Service from KPUB.
    e. The discount will be available for five (5) years.
2. Load Additions
    a. Available to existing and new customers making load expansion of at least 400 KW at a new single metering point.
    b. In the event that the load addition of at least 400 KW fails to materialize within one year of the commencement of service, the Customer will take service under the applicable standard rate schedule.
    c. Application for Economic Development Support must be made to and approved by KPUB Staff. KPUB will estimate the load addition to evaluate the application.
    d. KPUB must determine that this Rider ED is a significant factor to induce the qualifying Customer to locate or expand and receive Service from KPUB.
    e. The discount will be available for five (5) years.
3. City of Kerrville TIRZ District
    a. Available to new businesses in the retail, arts, and entertainment trades locating within the Reinvestment Zone Number One, City of Kerrville, Texas.
    b. Eligible Customers must be open to the public at least four days per week including at least one day on the weekend and until at least 8:00pm each day the business is open or have an equivalent or greater impact to the economic development of the TIRZ District as determined by the KPUB Board of Trustees.
    c. Application for Economic Development Support must be made to and approved by the Economic Development Go Team.
    d. The discount will be available for two (2) years.

CONDITIONS

The current rules and regulations shall apply to the Customer, including the payment and collection process.

Service to a Customer under this Rider ED must be approved by the KPUB Board of Trustees.

KPUB reserves the right to discontinue or suspend at any time the availability of this Rider ED for new applications.

For existing customers only the additional demand/load will qualify for the Rider ED discount.

The Customer must apply for service under this program prior to a decision or commitment to construct, purchase, or lease new or additional space or new electrical equipment that will result in additional electric load.

The Customer must be located such that no significant additional investment in utility facilities by KPUB is required.

This Rider is not available for temporary Service for construction.

MONTHLY RATE

The monthly bill will be calculated with a discount as defined in the following table based on the Customer's rate class. The discount will be applied to the Customer Charge, Distribution Energy and Demand Charges, and Power Supply Charges including Rider PCA. The discount will not be applied to any other charges and fees.

Rate Class	Discount
Small Commercial Service – Rate Schedule SCS	18%
Medium Commercial Service – Rate Schedule MCS	18%
Large Commercial Service – Rate Schedule LCS Secondary	10.8%
Large Commercial Service – Rate Schedule LCS Primary	8.7%

MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE - MSC

APPLICATION

Applicable to all retail customers served by KPUB.

The charges listed herein are in addition to any other charges made under KPUB's Tariff for Electric Service, and will be applied for the appropriate condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the actual costs plus overhead adders.

CHARGES

NAME AND DESCRIPTION	***AMOUNT***
NEW ACCOUNT CHARGE: made to set a meter and to do the other work necessary to initiate a new account.	
During normal business hours	$45.00
Outside normal business hours	$157.00
NEW SERVICE CHARGE: made in addition to the new account charge when service conductors are installed for the first time to a new building or to a new point of service.	
During normal business hours	$95.00
Outside normal business hours	$500.00
TRANSFER FEE: made to establish Customer account at address with existing meter and service.	$10.00
RECONNECT CHARGE: made when customer requests reconnection of electric service that has been disconnected in accordance with Tariff for Electric Service (no field response required).	
During normal business hours	$14.00
Outside normal business hours	$28.00
TEMPORARY CONNECTION CHARGE: made for 120/240 volt, single phase, three wire, 60 Hertz. Charges for temporary service not covered by these standard conditions will be provided only when customer pays in advance to KPUB the estimated cost of installing and removing the necessary facilities.	
a. install and remove meter and service wires	$240.00
b. install and remove transformer on existing pole	$455.00
RETURNED CHECK OR BANK DRAFT CHARGE: made for each customer's check or bank draft returned unpaid by a financial institution for any reason.	$27.00

METER TEST CHARGE: made when residential customer requests, and KPUB performs, a meter test and the meter is found to be within the accuracy standards of the American National Standards Institute and meter has been tested previously on request of customer within the past four years. Other classes of customers shall pay the actual cost of the test, including appropriate overheads.	$71.25
TAMPERING CHARGE: made for unauthorized reconnection or other tampering with KPUB metering facilities or any theft of electric service by any person on customer's premises or any evidence thereof by whomsoever done at customer's premises. An additional charge for any costs of repairs and/or replacement of damaged facilities, installing protective facilities, and the estimated amount of electric service not recorded by the meter, if any, is also made.	$300.00
TRIP CHARGE: made for each trip to customer's premises for the collection of a delinquent account, disconnection, or reconnection.	
During normal business hours	$38.00
Outside normal business hours	$175.00
COLLECTION PROCESSING CHARGE: made for processing a delinquent account when payment is not received by 5:00 pm on final payment date.	$3.00
BAD DEBT COLLECTION CHARGE: made on the basis of actual charges incurred by KPUB from a collection agency for services rendered to collect an outstanding bill.	Actual fee
CUSTOMER EQUIPMENT CHARGE: made when Customer reports outage and KPUB finds that Customer equipment is the cause of the outage (Customers are asked to check their breakers before reporting an outage).	
During normal business hours	$50.00
Outside normal business hours	$75.00
AMI OPT OUT CHARGE: made monthly per meter to manually read and bill non-communicating meter.	$20.00
NON-COMMUNICATING METER INSTALLATION CHARGE: made when customer requests removal of an AMI meter.	$150.00
ADDITIONAL SERVICES: made monthly for services offered by KPUB and not covered by other rate schedules. Charges for these services are calculated based on the installed cost of the equipment, capital recovery factor, applicable overhead adders, operations and maintenance costs, and power supply costs.	As calculated

PAYMENT

Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter.

SERVICE RULES AND REGULATIONS

GENERAL

These Service Rules and Regulations ("Rules") govern the supplying and taking of electric service by Customer from KPUB, and supersede and annul all such Rules by whatever term designated which may heretofore have governed the supplying and taking of KPUB's electric service. The Rules are subject to change from time to time by KPUB and regulatory authorities having jurisdiction, and are on file at KPUB's business offices.

DEFINITIONS

Codes – Rules, regulations and standards adopted by authorities having jurisdiction which govern electrical installations.

Connected Load- The sum of the continuous rated capacities, or in the absence of such rated capacities, the maximum demand determined by test where necessary of all energy-consuming devices on Customer's premises, expressed in kilowatts or horsepower.

Customer - Any person, firm, association, partnership, corporation, municipality, governmental agency, cooperative, organization, or other entity who is an applicant for, or who is receiving electric service from KPUB.

Demand- The electrical load at the receiving terminal at any instant or averaged over a specified interval of time expressed in kilowatts or kilovolt-amperes.

Demand Interval – The specified interval of time on which a demand is calculated.

Electric Service – Electric power and energy produced, transmitted and distributed, and provided or made available by KPUB at the point of delivery.

Energy – The measure of how much electric power is provided over time for doing work.

Horsepower (HP) - The unit of mechanical power representing rate of consumption equivalent to 746 watts.

Kilowatt (kW) - 1,000 watts.

Kilovolt-ampere (kVA) - The unit of electric power representing the rate of consumption equivalent to one kilowatt at 100% power factor.

Kilowatt-hour (kWh) - The consumption of electrical energy equivalent to the use of one kilowatt for one hour.

KPUB – The Kerrville Public Utility Board.

Power – The rate at which electric energy is provided for doing work in units of watts.

Power Factor - The ratio of the real power, in kilowatts, to the apparent power, in kilovolt-amperes, for any demand and time generally expressed as a percentage.

Point of Delivery - The point at which the Customer's wiring is connected to KPUB wiring.

ELECTRIC SERVICE

Availability of Electric Service

Customer requests for electric service of the character and type provided by KPUB are granted within the limitations of the applicable rate schedule, the availability of KPUB facilities, the characteristics of Customer's electrical load, KPUB's Electric Service Policy, and these Rules.

Before purchasing or installing electrical equipment and/or wiring, the Customer should secure information in writing from KPUB as to the type of service available at the location to be served.

Electric Service to be Provided on a Nondiscriminatory Basis

Electric service under these Rules will be administered in a nondiscriminatory manner, and no applicant for service or customer will be denied service on the basis of race, color, sex, nationality, religion, marital status, income level, or source of income, or on the basis of geographic location.

Privacy of Customer Information

KPUB will not release to third parties information concerning Customer's electric consumption or any credit information relating to the Customer without the written consent of the Customer.

Compliance with Federal Laws

KPUB shall at all times comply with the customer protections and disclosures established by the Fair Credit Reporting Act (15 U.S.C. Sec. 1681 et seq.) and the Truth in Lending Act (15 U.S.C. Sec. 1601 et seq.).

Information Available in Spanish

KPUB employs personnel who are bilingual in the English and Spanish languages. These personnel will be available during normal office hours in person or by telephone to provide information to applicants and customers in the Spanish language as follows:

1. How to get information in the Spanish language
2. On the rights of applicants and customers under these Rules and low income assistance and deferred payment plans
3. On new services, discount programs, promotions and availability of energy from renewable resources
4. On requesting repair service
5. On services relating to metering

KPUB will inform its service and repair representatives of these requirements.

Character of Electric Service

KPUB provides 60 Hertz alternating current electric service at KPUB's standard voltages available at the Customer's premises location in accordance with the Electric Service Policy of KPUB.

Standard Voltages

Primary:	7200/12470
Secondary:	120
	120/240
	240
	120/208
	240/480
	480
	277/480

Continuity and Quality of Service

KPUB will exercise reasonable diligence and care to provide continuous electric service and avoid any interruption of or reduction in the delivery of electricity. Customer is responsible for installing and maintaining devices as recommended or required by the current edition of the National Electrical Code and other such devices as are necessary to protect the Customer's equipment or process during irregular or interrupted electric service.

KPUB may without notice and without liability to Customer interrupt electric service to Customer when, in KPUB's sole judgment, such interruption:

a) Will prevent or alleviate an emergency threatening to disrupt the operation of KPUB's system, or
b) Will lessen or remove possible risk to life or property, or
c) Will aid in the restoration of electric service, or
d) Is required to make necessary repairs to, tests of, or changes in KPUB's facilities.

Customer should provide KPUB written request to receive advance notice of any planned interruptions of electrical service due to Customer's special situation that makes such advance notice especially important. The request shall indicate the special situation or needs

of the Customer. Such request from Customer shall in no way relieve Customer of any of Customer's obligations under this Tariff for Electric Service nor shall such request impose any additional duty or liability upon KPUB.

Normally, when a planned interruption is needed, a reasonable notice will be given to the Customers to be affected by the interruption. The making of such repairs or improvements will be carried out as rapidly as practical, to cause the least inconvenience to the Customer.

The Customer shall notify KPUB immediately of any defects of KPUB facilities, electric service problems, or accident which may in any way affect the delivery of electric service by KPUB.

Liability

KPUB shall not be liable to Customer for any damages or claims arising from any failure to deliver electric power and energy to the Customer, which failure in any way or manner results from failure of its facilities, however caused, or from failure of any supplier to provide necessary products, materials or services necessary to the continuity of electric service.

KPUB shall not be liable to Customer for any damages which the Customer may sustain by reason of failure of the electrical supply or variation in electrical service characteristics or phase reversals.

Customer assumes full responsibility for electric energy furnished to Customer at and past the point of delivery and will indemnify KPUB against and hold KPUB harmless from all claims for damages including but not limited to injuries to any person, including death resulting therefrom, and damages to property occurring upon the premises of the Customer arising from electric power and energy delivered by KPUB whether or not caused by the negligence of KPUB.

KPUB may perform voluntary or emergency acts to electric facilities of Customer but shall have no liability for damages or injuries resulting from said acts except to the extent that said damages or injuries are proximately caused by acts or omissions of KPUB which are found to be wanton or willful with the intent to cause injury.

In any claim or cause of actions relating to the provision of electric service asserted by Customer or any other person against KPUB, KPUB shall not be liable for any consequential, special, or non-direct damages, including but not limited to loss of use of equipment, extra expense due to the use of temporary or replacement equipment, loss of electronic data or program, loss of business revenue, costs of capital or any cost not part of necessary repair to or reasonable replacement of electric equipment whether the claim or cause of action is based upon contract, tort, negligence, products liability, or any other theory of recovery.

KPUB MAKES NO WARRANTIES WHATSOEVER WITH REGARD TO THE PROVISION OF ELECTRIC SERVICE AND DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO

WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

OBTAINING ELECTRIC SERVICE

Application for Electric Service

Customer is required to make applications as specified by KPUB to obtain electric service. At the option of KPUB, a written application to obtain electric service may be required. Any Customer taking electric service from KPUB, in consideration of KPUB supplying electric service and regardless whether or not such Customer has made application for such electric service, is bound by these Rules and is liable to KPUB for payment for such electric service under the applicable rate schedule.

Refusal of Service

KPUB may decline to provide electric service to an applicant until such applicant has complied with the state and municipal regulations and these Rules governing the service applied for or for the following reasons:

1. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given; or
2. If the applicant is indebted to KPUB for any kind of service; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the deposit requirements of these Rules.
3. For refusal to make a deposit if the applicant is required to make a deposit under the Rules.
4. Failure to pay the bill of another Customer at the same address when KPUB determines that the change of Customer identity is being made to avoid or evade payment of a bill. This applies to an applicant who is benefiting from the service of a current Customer who is indebted to KPUB for the electric service at the same address. A supervisory review may be requested by the applicant in the event KPUB determines that evasion has occurred and refuses to provide service.
5. Failure to provide proper identification satisfactory to KPUB.
6. Failure to meet the minimum age requirement of 18 years, unless the minor's disabilities have been removed.

In the event that KPUB shall refuse to serve an applicant under the provisions of these rules, KPUB will inform the applicant of the basis of its refusal of service. The applicant may file a complaint with the General Manager of KPUB.

Deposits

Establishment of Credit for Permanent Residential Applicants
KPUB may require a residential applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with rules for prompt payment of bills. Credit history shall be applied equally for a reasonable period of time to a spouse or a former spouse who shared the service. Credit history maintained by one must be applied equally to the other without additional qualifications not required of the other.

Subject to the following, a residential applicant shall not be required to pay a deposit:

1. If the residential applicant has been a Customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last twelve (12) consecutive months of service did not have more than two occasions in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment; or
2. If the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or
3. If the residential applicant demonstrates a satisfactory credit rating by other appropriate means, or
4. An applicant for permanent residential service who is sixty-five (65) years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with KPUB or another utility for the same utility service which accrued within the last two years;
5. A KPUB Customer with established credit (" co-signer") signs an agreement to guarantee payment of Customer's bills. The term of guaranty is until Customer establishes credit with KPUB as provided in these Rules.
6. The customer enrolls in Prepaid Metering.

Amount of Deposit for Permanent Residential
The required deposit for Residential Service will be an amount equivalent to one-sixth (1/6) of the estimated annual billings.

KPUB reserves the right to periodically review and revise deposit requirements based on:
1. The customer's billing payment history;
2. Changes in the location of Customer's service;
3. Customer's credit rating or score as reported by credit agency of KPUB' s choice
4. Any other changes in Customer's Account or Service Agreement status,
5. Actual usage being at least three times the amount of the estimated billings, and current usage exceeds $150 and 150% of the security held.

The Customer is subject to disconnection of service if the Customer does not comply with the new deposit requirement within 10 days of the request, provided a written disconnect notice has been issued to the Customer.

Refund of Permanent Residential Deposit

If service is not connected, or after disconnection of service, KPUB shall promptly and automatically refund the Customer's deposit in excess of unpaid bills for service furnished. A transfer of service from one premise to another within the service area of KPUB shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these Rules. When the Customer has paid bills for service for twelve (12) consecutive residential billings without having service disconnected for nonpayment of bill and without having more than two occasions on which a bill was delinquent, and when the Customer is not delinquent in the payment of the current bills, KPUB shall promptly and automatically refund the deposit to the Customer in the form of a credit to the Customer's bill, or cash if requested; or void and return the guarantee. Simple interest will be calculated for security deposits held by KPUB from the date the deposit is received by KPUB at the minimum rate required by applicable law, but if no such minimum rate is established by applicable law, at a variable rate equal to the auction rate quoted on 13-week United States Treasury Bills, less 25 basis points (0.25 percent), in effect on January 1, April 1, July 1, and October 1 of each year, fixed and established in advance for such calendar quarter. Upon termination of service, accrued and unpaid interest will be paid to the customer, provided the account is not delinquent; and in the case of delinquency, KPUB is authorized to credit such interest along with the deposit to the unpaid account balance. If the deposit and any credited interest are insufficient to cover the unpaid balance, the customer shall be liable for the deficiency. If the Customer does not meet these refund criteria, the deposit may be retained. Deposits will only be refunded to the owner of the account.

Non-Residential Services

Subject to the following, a non-residential applicant shall not be required to pay a deposit:

1. If the customer enrolls in Prepaid Metering where available;
2. If the applicant has been a Non-Residential Customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last twenty-four (24) consecutive months of service did not have more than two occasions in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment; or
3. If the applicant furnishes in writing, a satisfactory guarantee to secure payment of bills for the service required, such as a surety bond or irrevocable letter of credit from a bank that is approved by KPUB management; or
4. If the applicant demonstrates a satisfactory credit rating by other appropriate means.

Amount of Deposit for Non-Residential Service

In the case of non-residential services, if the credit of an applicant for service has not been established satisfactorily to KPUB, the applicant shall be required to make a deposit. The required deposit for all non-residential services will be an amount equivalent to one-sixth (1/ 6) of the estimated annual billings. ·

KPUB reserves the right to periodically review and revise deposit requirements based on:
1. The customer's billing payment history;

2. Changes in the location of Customer's service;
3. Customer's credit rating or score;
4. Any other changes in Customer's Account or Service Agreement status.
5. Actual usage being at least three times the amount of the estimated billings, and current usage exceeds $150 and 150 % of the security held.

The Customer is subject to disconnection of service if the customer does not comply with the new deposit requirement within 10 days of the request, provided a written disconnect notice has been issued to the Customer.

Refund of Non-Residential Deposit

If service is not connected, or after disconnection of service, KPUB shall promptly and automatically refund the Customer's deposit in excess of unpaid bills for service furnished. A transfer of service from one premise to another within the service area of KPUB shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these Rules. When the Customer has paid bills for service for twenty-four (24) consecutive billings without having service disconnected for nonpayment of bill and without having more than two occasions on which a bill was delinquent, and when the Customer is not delinquent in the payment of the current bills, KPUB shall promptly and automatically refund the deposit to the Customer in the form of a credit to the Customer's bill, or cash if requested; or void and return the guarantee. Simple interest will be calculated for security deposits held by KPUB from the date the deposit is received by KPUB at the minimum rate required by applicable law, but if no such minimum rate is established by applicable law, at a variable rate equal to the auction rate quoted on 13-week United States Treasury Bills, less 25 basis points (0.25 percent), in effect on January 1, April 1, July 1, and October 1 of each year, fixed and established in advance for such calendar quarter. Upon termination of service, accrued and unpaid interest will be paid to the customer, provided the account is not delinquent; and in the case of delinquency, KPUB is authorized to credit such interest along with the deposit to the unpaid account balance. If the deposit and any credited interest are insufficient to cover the unpaid balance, the customer shall be liable for the deficiency. If the Customer does not meet these refund criteria, the deposit may be retained. Deposits will only be refunded to the owner of the account.

Other Service Type Deposit Requirements

Deposits for Temporary or Seasonal and for Weekend Residences

KPUB may require a deposit sufficient to reasonably protect it against assumed risk for temporary, weekend, or seasonal service, provided such policy is applied in a uniform and nondiscriminatory manner. Mobile homes located on nonpermanent foundations shall be deemed temporary service for the purpose of this Section.

Re-establishment of Credit

Every applicant who previously has been a Customer of KPUB and whose service has been discontinued for nonpayment of bills or meter tampering or bypassing of meter shall be required before service is rendered to pay all amounts due for such service or execute a deferred payment agreement, if offered, and re-establish credit as provided in these Rules. If

a customer files a bankruptcy petition, the customer's existing account(s) will be closed and a new account(s) established. Any existing deposit will be applied to unpaid charges prior to the date the customer filed for bankruptcy protection. Adequate assurance of payment will be required on any new account(s) opened after the customer filed for bankruptcy protection. If adequate assurance of payment, in the form of a deposit or other security, is not received and 20 days have passed following the customer's bankruptcy filing (30 days if the customer has filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code), the new account(s) will be disconnected.

Records of Deposits

KPUB shall keep records to show:
1. The name and address of each depositor;
2. The amount and date of the deposit; and
3. Each transaction concerning the deposit.

KPUB shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

A record of each unclaimed deposit must be maintained for at least three years, during which time KPUB shall make reasonable effort to return the deposit.

EXTENSION OF ELECTRIC SERVICE

Line extensions are designed and installed on a case-by-case basis to accommodate the unique circumstances of each request. Construction allowances described below are developed by considering future revenue generated from projected energy use patterns over an expected length of service.

Ownership

KPUB shall have, at all times, complete ownership and control of the entire line constructed to serve any Customer, and shall have the right to serve other Customers from said line and/or any extension thereof, without obligation to refund any part of the payment for Contribution In Aid of Construction (CIAC) paid by Customer.

All meters, transformers, regulators, services, fixtures, etc., which are installed by KPUB upon the Customer's premises for the purpose of delivering electricity to the Customer remain the property of KPUB and may be repaired, replaced or removed by KPUB at any time.

Contribution in Aid of Construction (CIAC)

KPUB may require additional charges, prior to providing electric service, if the electric service requested by the Customer is not available at the service location, is other than that which KPUB usually provides, or if the service requested is not adequately compensated for by the applicable rate schedule.

CIAC Determination

The total estimated cost for an extension or expansion to include engineering, primary and secondary extension, transformers, materials, labor, right of way clearing, and any other costs associated with the extension shall be determined by KPUB based on an analysis of each project. KPUB's standard of service is based on the extension of overhead facilities. In cases where the Customer desires or is required to extend underground facilities, the Customer shall be responsible for the installation of trenches and conduit and the associated costs of such installation shall be fully paid by the customer. Any allowance for extension under this policy will not be applied to the cost of trenches and conduit.

Following a detailed analysis of the project, the total estimated cost will be provided to the Customer in a cost estimate letter, which is valid for 90 days. Prices and rates used to prepare the cost estimate shall be reviewed and adjusted at least annually. Any amount determined to be the Customer's responsibility shall be paid to KPUB in advance of construction.

CIAC shall be calculated without regard to other utilities or parties joint use of the extension or facilities provided to extend service to Customer.

KPUB may at its discretion construct system additions or improvements of greater capacity than that required to serve Customer, except that the Customer will only be required to pay

the CIAC for those facilities required to provide adequate service for the Customer's requested electrical service.

In certain areas of KPUB's distribution system, extension of overhead service is impractical and would nullify the benefits of substantial past investments in underground facilities. In such areas, KPUB reserves the right to limit extensions of electric service to Customer from KPUB's existing underground distribution system.

Right of Way

In all cases, the facilities of KPUB which are to be constructed on privately owned property shall be constructed only on, along and/or across rights-of-way which permit ready access from public roads and shall be covered by properly executed standard easements or platted subdivision easements legally recorded which, among other things, grant KPUB the right to construct, operate and maintain said facilities, and along with the right to rebuild, replace or remove the same.

Customer's Electrical Installation

Customer's electrical installation for receiving electrical service is to be in accordance with KPUB Electric Service Policy which is available at KPUB's offices. In those locations where an ordinance requires Customer to obtain a certificate of inspection and acceptance or a permit, KPUB will not provide electric service to Customer until KPUB receives notification of approval of Customer's electrical installation from the authority having jurisdiction.

KPUB does not assume any duty of inspecting Customer's electrical installation and is not responsible therefor. Without limiting the foregoing, KPUB may refuse electrical service to a Customer whose electrical installation, in KPUB's sole judgment, is considered to be hazardous or of such character that satisfactory service cannot be provided.

The providing of electric service by KPUB does not indicate that KPUB has inspected Customer's electrical installation and deemed it safe or adequate.

Point of Delivery and Metering Equipment

Location

Customer's electrical installation must be arranged so that the location of the point of delivery is acceptable to KPUB, taking into consideration location of existing KPUB facilities and construction required to connect to KPUB system.
Any change from the KPUB designated point of delivery is subject to payment by Customer to KPUB the added costs to extend service facilities to alternate locations or other than that specified by KPUB.

The location of the meter shall be as near as possible to the point of delivery.

Space Requirements

Customer grants to or secures for KPUB, at no charge to KPUB whatsoever, a suitable space that is easily accessible and permits ready access on Customer's premises for the installation of facilities necessary to provide electric service to Customer and for installation of KPUB's

metering facilities. The location for meters and associated equipment shall be suitable to KPUB and provide for clear working space on all sides as specified in KPUB Electric Service Policy.

Ownership
All meters are furnished, installed and maintained by KPUB. All meter enclosures and other meter equipment are normally furnished and owned by KPUB, and Customer installs and maintains these facilities, including replacement due to overload or damage.

Service Connections

Only KPUB authorized personnel are permitted to connect the Customer's electrical installation to, or disconnect the same from, KPUB's electrical facilities and system.

Requirement to Take Electrical Service

Customer shall be obligated to take service within 30 days after it is made available. If after this period of time the Customer fails to take service, KPUB may impose the minimum monthly charge under the appropriate rate schedule each month until service is taken.

Relocation or Removal of KPUB Facilities

Facilities of KPUB may be relocated or removed at the request of Customer or a property owner if:

1. Service to other Customers, both present and prospective, will not be adversely affected, and
2. Easements for rights-of-way for the relocated facilities have been granted to KPUB covering their new location, and
3. The requesting party agrees to pay KPUB the actual cost of removing or relocating and advances to KPUB the estimated cost of the removal or relocation including appropriate overheads.

Construction in Flood Areas

KPUB shall not extend electric service into areas below the maximum pool level of lakes or in the flood plain of rivers and streams as established by the authority having jurisdiction.

Residential Service

The Customer shall be responsible for any cost exceeding $2,000 associated with a residential extension to include engineering, primary and secondary line extensions, transformers, materials, labor, right of way clearing and any other costs associated with the extension. A new service charge still applies and will be billed separately.

Residential Development (Single-Family or Multi-Family)
The Developer shall be responsible for any cost exceeding $1,500 per dwelling unit associated with a residential development (single or multi-family) extension to include engineering, primary and secondary extensions, transformers, materials, labor, right of way clearing and any other costs associated with the extension. A new service charge still applies and will be billed separately.

Single-Phase Commercial Service

The Customer shall be responsible for any cost exceeding $3,000 associated with a single-phase commercial service extension to include engineering, primary and secondary extensions, transformers, materials, labor, right of way clearing and any other costs associated with the extension. A new service charge still applies and will be billed separately.

Three-Phase Commercial Service

The Customer shall be responsible for all costs associated with a three-phase commercial service extension to include engineering, primary and secondary extensions, transformers, materials, labor, right of way clearing and other costs associated with the extension. Customers can offset a portion of the extension cost by selecting one of the following options:

1. A $3,000 up-front construction allowance, or
2. Future bill credits based on usage - Customers in good standing are eligible to receive credits equal to $3.50 per kW of monthly billed demand for 36 months following the commencement of service. The credit will be applied to a Customer's account annually. Credits may be applied to future service only and are not eligible to be paid as a refund.

A new service charge still applies and will be billed separately.

Lighting

KPUB will construct permanent extensions of, or additions to, existing overhead facilities of KPUB which provide electric service for the municipal lighting systems under the appropriate schedules where the annual revenue justifies the costs of such extensions.

KPUB will install individual outdoor area lights on existing overhead facilities at the request of a Customer receiving full time electric service in accordance with the contract provisions specified in the applicable rate schedule. Where additional pole(s) or transformer(s) are required and requested by the applicant for the installation of lights, a charge will be made to defray any additional costs incident thereto.

Where primary voltage facilities are not installed, street lighting for subdivisions will only be installed, without cost to applicant, as primary voltage facilities are extended to serve permanent residences or businesses in a subdivision.

Special Facilities – Residential and Commercial

The Customer shall be responsible for all costs associated with a special facilities extension to include engineering, transformers, materials, labor, right of way clearing and any other costs associated with the extension. A new service charge still applies and will be billed separately. Special facilities include but are not limited to accessory dwelling units, wells, barns, signs, seasonal facilities, etc.

Non-Standard and Customer Convenience Service- The Customer shall pay for any special installation necessary to meet a particular requirement for service other than that normally provided. Alternate voltage levels, tight voltage regulation, minimum line noise, and other special requirements shall be the responsibility of the Customer. The Customer may be required to share in a portion of the estimated construction cost for extending service where such service is not normally provided, or for additional meter or transformer installations to provide separate electric service such as to X-ray machines.

Intermittent loads- KPUB reserves the right to require that the customer furnish and install any suitable or special equipment necessary to reasonably limit the adverse effects created by the Customer-owned equipment such as process furnaces, arc welders, resistance welders, and large motors.

Temporary Service

Extensions of overhead facilities required to serve Customers on a temporary basis will be installed only if the applicant for temporary service pays KPUB, in advance, the full estimated cost of installing and removing all facilities expressly required for such temporary service.

In situations where a temporary service is required for construction purposes, and such temporary line extension results in a permanent meter upon completion of the construction, KPUB will extend such temporary service which contributes to a permanent electric service, at its option, under the appropriate rule for permanent extensions.

USE OF ELECTRIC SERVICE

Resale of KPUB's Electric Service

Customer shall not use electric service provided by KPUB except for the purposes specified in the rate schedule under which Customer receives electric service. Customer shall not resell or otherwise dispose of electric service unless as provided by statute or as specifically provided for in the rate schedule or Agreement for Electric Service.

Parallel Operation

Customer shall not connect its electrical system to another source of electric energy in a manner that may permit electric energy to flow into KPUB's system from such source without written agreement from KPUB.

Extension of Customer's Wiring

Customer shall not extend Customer's electrical system across or under a public street or right of way or other lands not owned or leased by Customer without written consent from KPUB.

Customer's Electrical Load

KPUB requires Customer to control the use of electric energy so that Customer's electrical load at the point of delivery is in reasonable balance across each phase.

KPUB may require Customer to provide at Customer's expense suitable apparatus to limit the operation of Customer's equipment which adversely affect the electric service provided by KPUB to other Customers.

Tampering with KPUB Metering or Equipment

No KPUB meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. KPUB is not liable for injury to Customer, Customer's employees or others resulting from tampering with or attempting to repair or maintain any of KPUB's facilities, and Customer agrees to indemnify and hold KPUB harmless therefrom.

Right of Access To Customer's Premises

KPUB authorized personnel shall have the right of access to the Customer's premises for any purpose reasonably connected with the furnishing of electricity to its Customers.

KPUB shall have the right to remove its property installed on the Customer's premises at the termination or discontinuance of service.

Refusal of Customer to provide reasonable access for these stated purposes may, at KPUB's option, be sufficient cause for discontinuance of electric service.

BILLING

Selection of Rate Schedule

Except as otherwise provided for commercial rate classes, Customer is solely responsible for the selection of the applicable rate schedule most favorable to Customer.

Disputed Bills

When a customer believes that the amount of any bill rendered by KPUB for service of electricity is in error, the Customer should:

1. request an explanation of the bill from the electric utility office of KPUB and if this does not resolve the matter,
2. request in writing, an investigation of the matter, setting forth all information relative to the dispute and enclosing with the request an amount equal to the Customer's average monthly usage at current rates based on the preceding twelve-month period.

KPUB will investigate the matter promptly and communicate, in writing, its findings to the Customer. Any amount overpaid by the customer shall be refunded or credited to his account. Any balance still owing by the Customer will be due immediately. If the customer is still not satisfied, a complaint can be filed with KPUB. Should this occur, the customer shall not be required to pay the disputed portion if the bill which exceeds the amount of that Customer's average monthly usage at current rates pending the completion of the determination of the dispute, but in no event more than 60 days.

KPUB will not discontinue service nor will the Customer's credit be impaired during such investigation. The customer does not waive any rights he may have by following the procedure set out above.

Payment Of Bill

Bills for service will be based upon the metered consumption, or estimated consumption if no meter reading is taken, as billed under the applicable rate schedule. They will be rendered at regular intervals, and are due and payable within sixteen(16) days from the date of issuance of the bill. The Customer will pay the net amount of the bill if paid on or before the due date. All other bills are due on presentation.

Payment of charges for connection or reconnection of service and payments of initial deposits or reinstated deposits as required under these Rules shall be made before service will be connected or reconnected.

Deferred Payment Plan

If a Customer who has not been delinquent more than twice in the past 12 months expresses inability to pay a bill, a deferred payment plan can be entered into. Under such plan, a customer can spread payment of the current bill over three months but agrees to pay future bills as due. If, during the term of the deferred payment plan, the Customer's economic or financial circumstances change, the plan may be renegotiated. A penalty of five percent (5%) may be included in the deferred payment plan for late payment, but no finance charge will be included. Noncompliance with the terms of the deferred payment plan is cause for discontinuance of service.

Billing Periods

KPUB will read its meters at regularly scheduled periods. When for any reason the periods covered by such readings are substantially greater or less than the regular periods, bills may be computed by prorating on the basis of the regularly scheduled period covered by the meter readings.

Bills for electric service shall be rendered monthly unless service is rendered for a period of less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

Estimating Bills

In the event that the scheduled reading of meters is not possible KPUB will estimate the consumption, and will render an appropriately marked estimated bill for the period involved. The bill so provided shall have the same force and effect as if they were based on actual meter readings, and shall be paid in accordance with the terms of the applicable rate schedule and Rules. An actual reading must be taken at least every three months.

Form of Bills

The Customer's bill shall show all the following information:

1. Bills based on meter readings obtained by KPUB shall show the period in which consumption occurred, the meter reading date of such period and the reading of the meter at the beginning and at the end of the period for which the bill is rendered;
2. The number and kind of units metered;
3. The applicable rate schedule, title or code;
4. The total amount due for services provided after addition of any penalty;
5. The monthly Power Cost Adjustment;
6. The date by which the Customer must pay the bill in order to avoid additional billing;
7. A distinct marking to identify an estimated bill;
8. Any conversions from meter reading units to billing units, or any other calculations to determine billing units from recording or other devices, or any other factors used in determining the bill; and

9. The information appearing on the bill shall be sufficient to allow the Customer to readily compute his bill after references to the applicable rate schedule, which shall be provided to the Customer on request.

Level Payment Plan

A residential Customer may qualify for a level or average payment plan if the Customer has not been delinquent more than twice in the last 12 months. The level monthly payment shall be calculated as one-twelfth the sum of the Customer's previous 12 months consumption or estimated annual consumption applied to the current rate schedule.

The level monthly payment calculated may be adjusted quarterly for actual usage.

Adjustment of Bills for Meter Error

If a Customer believes that a meter is registering inaccurately, he may request a test to be performed during normal business hours at a time to be determined by KPUB. Such determination shall accommodate the convenience of the Customer if the Customer or his duly authorized representative desires to observe the test.

The test shall be made on the Customer's premises or at KPUB's discretion, at a test laboratory. When a meter test is performed upon request by the Customer in accordance with the foregoing, such test shall be made at no cost to the Customer, however, if the meter has been tested by KPUB, or by an authorized agency, at the Customer's request, and within a period of four years the Customer requests a new test, KPUB shall make the test, but if the meter is found to be within the accuracy standards established by the American National Standards Institute, KPUB may charge the Customer a fee which reflects the cost to test the meter. If the meter is found to be registering inaccurately, KPUB will assume the cost of the test and will adjust the Customer's bill for the effect of the error. Following the completion of any requested test, KPUB shall promptly advise the Customer of the date of the removal of the meter, the date of the test, the result of the test, and who made the test.

If any meter is found to be outside of the accuracy standards established by the American National Standards Institute, proper correction shall be made of previous readings for the period of six months immediately preceding the removal of such meter from service for the test, or from the time the meter was in service since last tested, but not exceeding six months, as the meter shall have been shown to be in error by such test, and adjusted bills shall be rendered. No refund shall be made by KPUB except to the Customer last served by the meter prior to the testing. If a meter is found not to register for any period, unless bypassed or tampered with, KPUB shall make a charge for units used, but not metered, for a period not to exceed three months based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

Metered Consumption Not Combined

For the purpose of calculating charges, each meter on the Customer's premises will be considered separately, and the consumption recorded by two or more meters will not be combined except as follows:

1. Where the combination of metered consumption is specifically provided for in the rate schedule.
2. Where the maintenance of adequate service and/or where KPUB's operating convenience shall require the installation of two or more meters upon the Customer's premises instead of one meter.

Overbilling and Underbilling

If billing is found to be in error, a billing adjustment shall be calculated by KPUB.

If Customer was undercharged, KPUB may backbill to collect such undercharges for billings not older than six months unless the undercharge is the result of meter tampering as defined by these Rules or unless KPUB produces records identifying and justifying additional backbilling. If underbilling is not related to meter tampering, KPUB may offer Customer a level payment plan for the same length of time as that of the underbilling.

If Customer was overcharged, KPUB shall refund Customer the full amount for the entire period of overbilling.

DISCONTINUANCE OF ELECTRIC SERVICE

Customer Discontinues Electric Service

A Customer may request service to be disconnected at any time unless there is a provision to the contrary in the service contract or applicable rate schedule. The Customer is responsible for any use of the electric service until KPUB has had a reasonable time to secure a final reading or to remove the meter.

KPUB is not obligated, after discontinuance, to again provide electric service to Customer at the same service location unless Customer reapplies for and KPUB agrees to provide electric service.

KPUB Discontinues Electric Service

KPUB, in addition to all other legal remedies, may discontinue electric service to Customer without liability for any of the following reasons:

Discontinuance with Notice

1. Non-Payment of Bills or non-compliance with deferred payment plan
   Service may be discontinued by KPUB for failure of the Customer to pay bills in accordance with these Rules if a termination notice is given after the due date and twenty-six (26) days have elapsed from the date of issuance of the bill. Customers who have elected paperless billing may receive termination notices electronically in lieu of a mailed notice.

2. Failure to comply with the terms of the Agreement for Electric Service, Special Contract, the Application for Electric Service, these Rules, or the rate schedule under which the Customer is receiving electric service.

3. Failure to comply with the terms of or make payment of required deposits or other charges as required by this Tariff for Electric Service.

4. Violation of these Rules pertaining to use of service in a manner which interferes with the service of others or the operation of non-standard equipment, if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation.

Discontinuance without Notice

1. Misrepresentation
   KPUB may discontinue service without notice upon the discovery that the Customer has made a misrepresentation to KPUB regarding the application for or use of electric service or has in any manner misrepresented same as determined by any authority having jurisdiction. Compliance with any such determination, order, or directive will relieve KPUB from any liability associated with the discontinuance of service. Payment of all amounts for which KPUB has not been compensated, including interest and other charges incurred in rendering service to the Customer whether or not specifically stated in the applicable rate schedule, shall be due and payable at the time of discontinuance of service.

2. Dangerous condition
   KPUB may discontinue electric service without notice upon discovery by any manner of a hazardous condition for as long as the condition exists.

3. Unlawful use of service
   KPUB may discontinue service without notice where service is connected without KPUB authorization by a person who has not made application, or who has reconnected service without KPUB authorization following termination of service for non-payment, or in instances of tampering with KPUB's metering or other equipment, bypassing the same or other instances of diversion of service, or evidence of attempted tampering or diversion, or service is determined by an authority having jurisdiction to be unlawfully connected or used.

   Compliance with any such determination, order, or directive will relieve KPUB from any liability associated with the discontinuance of service. Payment of all amounts for which KPUB has not been compensated, including interest and other charges incurred in rendering service to the Customer whether or not specifically stated in the applicable rate schedule, shall be due and payable at the time of discontinuance of service.

   In cases of meter tampering or bypassing of meter, electric energy consumed, but not metered, may be estimated by KPUB based on amounts used under similar conditions during preceding years. Where no previous usage history exists or is considered unreliable due to meter tampering or bypassing of meter,

consumption may be estimated on the basis of usage levels of similar Customers and under similar conditions.

KPUB may charge for all labor, material and equipment necessary to repair or replace all equipment damaged due to meter tampering or bypassing of meter.

Electric Service Not to be Discontinued

Electric service will not be discontinued for any of the following reasons:

1. Service will not be discontinued to a permanent residential Customer provided a physician contacts KPUB's electric utility office within (16) days of issuance of the bill. A written statement must be received by KPUB from the physician within 26 days of issuance of the bill stating that discontinuance of service will result in someone at that residence becoming seriously ill or more seriously ill. The prohibition against service termination provided by this rule shall last 63 days from the issuance of the utility bill or such lesser period as may be agreed upon by the utility and the Customer or physician. In this case, a deferred payment plan must be entered into by the Customer.

2. During extreme weather as defined by the Public Utility Commission of Texas.

3. Delinquency in payment for service by a previous occupant of the premises.

4. Failure to pay for merchandise, or charges for non-utility service.

5. Failure to pay for a different type or class of service unless charges for such service is included on the same bill.

6. Failure to pay the account of another as guarantor thereof, unless KPUB obtains such guarantee in writing that allows for such discontinuance of guarantor's service.

7. Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billing.

8. Failure to pay charges arising from an underbilling due to any faulty metering, except in cases involving meter tampering or unlawful use of service as specified in these Rules.

9. Failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless KPUB is unable to read the meter due to circumstances beyond its control.

10. Delinquency in payment by a residential Customer for a billing period in which Customer has applied for and been granted energy assistance funds if any agency for administration of these funds has notified KPUB, prior to the date of disconnection, of approval of an award sufficient to cover the bill, or a portion of the bill so that the Customer can successfully enter into a deferred payment plan for the balance of the bill.

KPUB will not discontinue service on a day, or on a day immediately preceding a day, when KPUB personnel are not available to make collections and reconnect service unless a hazardous condition exists or Customer requests disconnection on such day.

KPUB reserves the right to operate any Customer owned disconnect switches or equipment and lock these switches in the "off" position as necessary to discontinue electric service to Customer.

When KPUB discontinues electric service to Customer, Customer's obligation specified in these Rules or Tariff for Electric Service is not lessened or changed, nor is the amount of money due and payable to KPUB affected in any manner.

Failure of KPUB to discontinue service at any time after default or breach by Customer of these Rules or Tariff for Electric Service, or to exercise any legal remedy does not affect KPUB's right to exercise thereafter any one or more of such remedies for the same or any default or breach by Customer.

SERVICE AGREEMENTS