



TARIFF NUMBER 4

*Approved by Board of Directors
August 15, 2019*

Tariff Number 4
Cancelling Tariff Number 3
of
Copper Valley Electric Association, Inc.
PO Box 45
Glennallen, Alaska 99588

Electric Service
for
Copper River Basin, Alaska
Valdez, Alaska

Rules and Regulations

Rules and Regulations

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Rules and Regulations

1 General

1.1 Preface

Through these service policies, it is the intent of Copper Valley Electric Association (hereinafter called the “Association”) to provide a helpful guide to the consumer, the electrical and building trades, and the employees and representatives of the Association; to achieve efficient and safe electrical service; and to ensure all consumers of the Association receive uniform and equitable consideration.

1.2 Adoption

These rules and regulations have been adopted by the Association Board of Directors in accordance with the Association's Articles of Incorporation and Bylaws and in accordance with the requirements of federal, state, and other bodies having jurisdiction over the Association.

No officer, agent, or employee of the Association has the authority to alter or amend these rules and regulations.

1.3 Scope

These service policies are a part of all contracts for furnishing and receiving electric service. The tariff is available at the Association's website or a copy can be inspected in the Association's Glennallen and Valdez offices.

1.4 Revision

The Association shall maintain a currently effective tariff, a copy of which shall be available to all members for review at the Association offices. The tariff shall contain the rates, fees, and service policies for providing electric service to the Association's members.

The Association will, upon request from the Board of Directors and/or the Association's management, provide for the development of recommended changes in the Association's rates, fees, and service policies for providing electric service to its members.

In reaching its decision on any changes to the tariff, CVEA's Board of Directors shall base that decision on the following standards:

- A. The evidentiary record developed through member comment or public hearings.
- B. Any mortgage covenants between the Association and/or any other financial institution with which the Association has entered into a mortgage or other financing instrument.
- C. The Association's Equity Management Plan.
- D. Fair and nondiscriminatory treatment of all Association members and customer classes.
- E. Rates shall be set to ensure the financial viability of the Association.
- F. A statement by the Association's counsel that the proposed change complies with the Association's *Articles of Incorporation, Bylaws* and other applicable laws.
- G. The Board of Directors' decision approving or denying changes in rates, fees, charges, schedules, rules, and regulations contained in the Association's tariff shall be final.

(1) Changes to Existing Service Policies

- (a) Management shall support any such recommended changes with factual historical operating and accounting data.
- (b) Notice to the members will be given at least 60 days prior to the proposed effective date of any changes in service policies.
- (c) The proposed change and an explanation of the reason for that change shall be published in the Association's *Ruralite Magazine*, on the Association's website, or included with the Association's billing statement, and/or noticed in a newspaper with general circulation in the service area.
- (d) Member comments regarding the proposed change will be heard at a regularly scheduled board meeting or other meeting called for that purpose at least 30 days prior to the proposed effective date of the change. The meeting will provide members an opportunity to make statements or ask the Board of Directors or management questions about the proposed changes. Members will be allowed to testify telephonically when possible.

- (e) Following member comment the board may approve the proposed change for implementation within 30 days or alternatively may request additional information or further review of the proposed change.

(2) Changes to Existing Rates or Fees

- (a) Management shall support any such recommended changes with factual historical operating and accounting data.
- (b) Proposed changes shall be supported by historical operating revenues and expenses, together with any known and measurable adjustments to revenues and expenses anticipated for the period during which the rates will be in effect.
- (c) Notice to the members will be given at least 60 days prior to the proposed effective date of any changes in rates or fees.
- (d) The proposed change and an explanation of the reason for that change shall be published on the Association's website, in the Association's *Ruralite Magazine* or included with the Association's billing statement, and/or noticed in a newspaper with general circulation in the service area.
- (e) One or more public hearings will be held in each affected district prior to the proposed effective date of any change. The initial public hearing will be held at least 30 days prior to the proposed effective date of the change.
- (f) The purpose of the public hearing is to hear member comments and questions pertaining to the proposed change.
- (g) The order of presentation at the public hearing shall be as follows.
 - i. A presentation by the Association's management outlining the reasons for the proposed rate or fee change.
 - ii. An opportunity for members to make statements or ask the Board of Directors or management questions about the proposed changes. Members will be allowed to testify telephonically when possible.
 - iii. An opportunity for board members to ask either management or any member testifying questions.
 - iv. An opportunity for management to respond to any questions and/or statements made by the members or Board of Directors.

- v. Prior to approving a change, the Board of Directors shall consider the presentation by management, consultants, auditors, and the testimony, questions, and statements of members and shall issue its decision within 30 days of the close of the public hearings or any continuance of the hearings.

- (h) The requirements of (c-g) above shall not apply to revisions to the Fuel Charge, G&T Charge, Heat Revenue Credit, or Non-Firm Power Purchase Rate.

1.5 Conflict

In case of conflict between any provisions of any rate schedule or special contract and these service policies, the provisions of the rate schedule or special contract shall apply. In case of conflict between any provisions of a rate schedule and a special contract, the provisions of the special contract shall apply.

1.6 Applicability

These Rules and Regulations apply to all services rendered by the Association except as otherwise provided in individual rate schedules or special contracts.

1.7 Business Office Locations

Copper Valley Electric Association provides offices at Mile 187 Glenn Highway in Glennallen, Alaska, and at 367 Fairbanks Drive in Valdez, Alaska. These offices provide full member services and are open from 8 a.m. to 5 p.m., Monday through Friday, except holidays.⁽¹⁾

In case of emergency or outage during normal business hours, Copper River Basin District consumers may call 822-3211 and Valdez District consumers may call 835-4301. After normal business hours or holidays, consumers should call 1-866-835-2832.

1.8 Gender Disclaimer

Whenever the terms "he" or "she" or any other pronouns suggesting a specific gender are used in this tariff, such terms shall be construed to mean either gender and to apply with equal regard to either gender.

(1) – effective July 2018 offices are open 7 a.m.-6 p.m., Monday through Thursday

2 Definitions

Actual Cost – The true, final cost of labor, material, and overhead used to complete a line extension or addition of facilities.

Advance-In-Aid-Of-Construction – An advance payment to the Association for the addition of facilities in excess of those authorized by the line extension policies of the Association to serve the consumer. This payment is refundable under the conditions stated in the Association's rules and regulations.

Applicant – A person who requests the Association to supply electric service.

Application – A written request for electric service made by an applicant.

AAC – The Alaska Administrative Code.

AS – The Alaska Statute.

Average Retail Demand – The number expressed in kilowatts and determined by dividing the total retail sales of the electric utility, measured in kilowatt-hours, by 8,760 hours for a calendar year with 365 days and by 8,784 hours for a calendar year with 366 days.

Billing Cycle – A time interval between two consecutive bills for electric service.

Cogeneration – The production of electric energy and forms of useful thermal energy (such as heat or steam) employed for industrial, commercial, heating, or cooling purposes through the sequential use of energy.

Contract – An agreement between the Association and the consumer defining special rates, conditions, or provisions necessary to provide service.

Contribution-In-Aid-Of-Construction – Money or facilities provided to a utility by a consumer for a line extension or service connection, the value of which is not refundable by the utility.

Credit Letter – A positive response from a utility-provided credit inquiry form indicating a previous record of bills paid in full with no delinquencies in the last 12 months of service provided.

Consumer – An Association consumer (person, firm, partnership, association, corporation, municipality, cooperative organization, or governmental agency) supplied with electric service by the Association.

Customer Charge – The amount a consumer must pay a utility for the availability of electric service, excluding any electricity used.

Damage – An injury to person or property which includes, but is not limited to, broken glass, broken seals, and altered mechanisms.

Deferred Payment Agreement – An agreement between the Association and a qualified residential consumer providing for a payment schedule for a deposit, past due, or delinquent account balance.

Delinquent – When an amount which has been billed as "past due" remains unpaid at the close of the subsequent billing cycle.

Demand – The maximum rate of delivery of electric energy during a billing cycle, measured in kilowatts (kW) registered over a continuous 15 minute period.

Distribution Facilities – Electric utility lines operated at distribution voltage, which are constructed along public roadways or other bona fide rights of way, including easements on consumer's property.

Easement – An interest in property granted to the Association which allows the Association to occupy space on private property for the purposes of installing and maintaining Association facilities.

Engineering – The preparation of electric layouts, designs, specifications, and other drawings and lists associated with electric construction. It also includes making construction estimates, inspecting construction for conformance with design criteria, specifications, and staking; labor costs associated with right-of-way acquisition, right-of-way clearing, and administration; and similar and related activities necessary to the installation of electric distribution facilities.

Facilities – All real estate, fixtures, and personal property owned, controlled, operated, or managed in connection with or to facilitate the production, generation, transmission, distribution, and delivery of electricity for light, heat, or power.

Field Collection Fee – A fee charged when an Association representative receives payment at a consumer's service location to avoid disconnection for nonpayment.

Interruptible – The non-firm electrical energy, which may be interrupted or terminated at the sole discretion of the Association.

Inverter – A device that converts direct-current power into alternating-current power.

Kilowatt – A unit of power which is equal to 1000 watts.

Kilowatt Hour – The electric energy equivalent to the amount of electric energy delivered in one hour at a constant rate of one kilowatt.

Line Extension – Any additional lines and equipment necessary to extend the electric distribution system of the Association to new consumers.

Member – Any natural person, firm, association, corporation, body politic or subdivision thereof, that meets the requirements of membership in the Association.

Meter – A device that measures and registers electrical quantities.

Mobile Home – Any detached single-family dwelling having complete living facilities, constructed and fabricated into a complete unit at a factory, and capable of being transported to the location of use on its own chassis and wheels.

Motor Home Park – Any parcel or adjacent parcels of land in the same ownership which is utilized for occupancy by more than two motor homes, campers, or travel trailers.

Net Electric Energy – As metered by the electric utility for a specified period and expressed in kilowatt-hours:

- A. the amount by which the quantity of electric energy supplied by the Association to the consumer exceeds the quantity of electric energy supplied by the consumer to the Association; or
- B. the amount by which the quantity of electric energy supplied by the consumer to the Association exceeds the quantity of electric energy supplied by the Association to the consumer.

Non-Refundable Fee – A payment to the Association for the extra cost associated with providing electrical facilities of a special nature (such as underground) to serve the consumer(s). This payment is non-refundable.

Outage – An interruption of electric service which requires the Association to intervene to resume service and where service cannot be resumed by the automatic recycling of the Association's equipment.

Past Due – A bill is "past due" when not paid in full within 25 days of the date rendered.

Permanent Service – When the consumer's electric service is such that the Association has reasonable assurance the premises will take electric service permanently.

Power Factor – The ratio of actual measured kilowatt-hours to the apparent power in kilovolt ampere hours expressed in percentage.

Premises – A piece of land or real estate, including buildings and other improvements.

Primary (voltage) – The input voltage of the circuit supplying power to the distribution transformer which provides service to the consumer.

Primary Line Extension – The addition of a primary conductor, either overhead or underground, and may or may not include a transformer as applicable.

Qualifying Facility (QF) – A cogeneration facility or a small power production facility as defined in 3 AAC 50.820(11).

Rate (schedule) – The Association's published charges for sale of energy in kilowatt hours and demand in kilowatts including customer charges, applicable minimum charges, cost of power adjustment, power factor adjustment, other fees and charges, and criteria for application of charges.

Rendered – The date a bill is postmarked or the billing date shown on the bill. The billing date cannot differ from the postmark or mailing date by more than three working days.

Residential Use – The use of electricity for domestic purposes such as space heating, air conditioning, water heating, cooking, clothes drying, and includes service in apartment buildings, mobile home parks, and other multi-unit residential buildings.

Rules And Regulations – The published policies governing the Association and its members in the matter of furnishing of electric service by the Association and taking of electric service by the consumer.

Schedule Of Fees – A published list of standard dollar amounts which the Association charges its consumers for specific services rendered by the Association.

Secondary (voltage) – The voltage for delivery directly to the service entrance of the consumer, i.e., the low voltage side of a distribution transformer or utilization voltage.

Service Complaint – A claim or dispute regarding a consumer's electric service.

Service Connection – The line extending from a distribution line or transformer to a consumer's premises or point of delivery where the line, as constructed, is only capable of serving that consumer's premises.

Service Connection (point of) – The precise location at which the Association-owned electrical facilities connect to consumer-owned electrical facilities. In current transformer metering situations, the Association facilities terminate at the current transformer.

Single-Phase Service – The standard secondary service using two energized wires and one neutral wire.

Standby (service) – The electrical service provided by the Association, to be used in the event a consumer's electrical generating equipment is unable to serve the consumer's load.

Streetlight – A system, or fixture of such system, for the illumination of streets, alleys, and other public places and areas, under the control of a political subdivision.

Subdivision – A tract or parcel of land which has been determined to be a "subdivision" or "Planned Unit Development" (PUD) by the appropriate political subdivision of the state.

Tariff – The entire body of Rules, Regulations, Rates, and Fees governing the interaction of the Association and its consumers as approved by the Association's Board of Directors.

Three-Phase Service – A service provided with three (3) energized wires and one (1) neutral wire.

Vandalism – see Damage.

3 Nature of Services Offered - Electric Service

The Association provides 60-cycle alternating current, either 120/240 volt single-phase or 208Y/120 and 480Y/277 volt three-phase secondary voltages. Other standard secondary voltages may be made available with prior approval by the Engineering Services Department. Standard primary voltage, where available, for primary metering includes 7,200 volts and 14,400 volts single-phase and 12,470Y/7,200 volts and 24,900Y/14,400 volts 3 phase. Voltage and waveform are regulated to conform to the standard practices of the industry. Steady-state frequency will be held within plus-or-minus two percent of standard frequency. Cumulative error registered by an electric clock over a 24-hour period will not exceed 90 seconds. Fluctuation in voltage, waveform, and frequency created by circumstances beyond the control of the Association may cause deviation to these standards.

The Association shall, unless otherwise prohibited, construct, operate, and maintain the facilities necessary to deliver energy to the point of receipt by consumer.

4 Types of Service Provided

4.1 Permanent Service

Permanent service is when the consumer's electric service is such that the Association has reasonable assurance the premises will take electric service permanently and continuously. Basic criteria for determining permanency may include such items as determined by the Association, including the following:

- A. permanent residential building, commercial facility, or industrial plant,
- B. residential dwellings must be occupied as a principal residence for a minimum of nine months per year,
- C. mobile homes comprising at least 500 total square feet and set in place on a foundation or otherwise affixed as a permanent residence or commercial building,
- D. mobile homes must be occupied as a principal residence for a minimum of nine months per year, or
- E. city water, water well, sewage disposal system or other self-contained system.

Where the Association cannot be assured the consumer to be served will be reasonably permanent, facilities will be constructed only when the consumer makes an advance toward the cost of such facilities equal to the obligation of the Association under Extension of Facilities (Section 7). For a period of two years from the initial date the facility is energized, said advance will be refunded at such time as the above criteria for permanency is met, all other relevant tariff requirements are met, and consumer requests such refund. Refund shall be calculated after consideration of amounts otherwise due for construction of permanent facilities under Section 7 of this tariff.

4.2 Temporary Service

When an applicant requests service for a period of one year or less, the applicant will be required to pay, prior to installation, a contribution-in-aid-of-construction in an amount equal to the total estimated cost of both the installation and removal of the facilities necessary to provide such service. The applicant shall bear the cost of any unusual or unsalvageable materials. Service under this provision may not exceed one year unless good cause is shown by the applicant and the Association agrees in writing to extend the period for temporary service. Service for a subsequent period shall not exceed six months. Service under this provision may not exceed one year without good cause shown and with the concurrence of the Association. Service for a subsequent period is not to exceed six months.

4.3 Non-Standard

The consumer shall pay the cost of any special installation necessary to meet the consumer's particular requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.

4.4 Standby

The Association will furnish electric service to consumer's premises for standby service only as provided in the applicable rate schedule.

4.5 Primary Service

If mutually advantageous to both the consumer and the Association and approved by the Association, primary service will be provided, and electric usage will be metered by a primary meter at the point of delivery. The facilities beyond the point of delivery shall be located on property owned by the consumer and will be owned and maintained by the consumer. The facilities shall not be used or extended to provide service to property not owned by the consumer.

5 Technical Provisions

5.1 Determination of Use

The quantity of electrical energy and/or electrical demand shall be determined by the registration of the electric meters provided by the Association, except

- A. where the load is such that the amount of electrical energy consumed is fixed, the Association may elect not to meter the service and to bill the consumer a fixed amount as determined by the charge under the appropriate rate schedule; and
- B. where there is evidence of a meter or electric service tampering by the consumer, the consumer is responsible for power used and unregistered by damaged or vandalized meters up to the time the consumer notifies the Association of the damage or vandalism.

5.2 Billing Demand

The billing demand shall be the metered demand after adjustment for low power factor, if applicable.

Metered demand shall be the highest continuous 15 minute kilowatt demand in the period, as determined by suitable indicating or recording instruments. Contracted demand may be established for service provided under special agreement.

5.3 Phase Balance

Current imbalance in phase wires of services, except the legs of three-phase, four-wire delta services, shall not exceed 10 percent of the current which would be required at maximum load under balanced current conditions.

5.4 Inspection

The Association shall have the right, but shall not be obligated, to inspect the consumer's wiring or equipment before or during the time electrical service is supplied. However, such inspection or lack of inspection shall not be construed as placing upon the Association any liability or responsibility for the condition or maintenance of the consumer's wiring, current consuming devices, or other equipment, or for the notification to the consumer of such conditions. It shall be the consumer's responsibility to comply with the latest revision of the National Electrical Code and any other applicable codes.

5.5 Highly Fluctuating Loads

For highly fluctuating and intermittent loads which seriously affect voltage regulation, including but not limited to large motor starting equipment or heating units, welders, and x-ray machines, the Association may require a contract for service which will require a contribution for additional equipment as may be deemed necessary by the Association to maintain satisfactory service to other consumers if the consumer refused to install starting compensators or other devices to correct the situation.

The Association reserves the right to stipulate maximum available starting currents and reserves the right to disconnect service if established values are exceeded.

5.6 Additional Load

If the consumer desires to change his load materially, the consumer shall notify the Association sufficiently in advance so the Association may plan for the facilities required to serve the increased load. The cost of the additional facilities necessary to meet the added load shall be apportioned in accordance with Section 13. If the consumer fails to notify the Association and, as a result, the Association's equipment is damaged, the consumer shall be liable for the cost of such damage caused by the consumer.

5.7 Meter Tests

The Association will, at its own expense, inspect and test its meters as required by the Association.

Meters will be replaced and tested upon written request by a consumer. In the event a meter over-registers by more than two percent from standard, the account will be adjusted as set forth below. If the meter does not over- or under-register by more than two percent, a charge as set forth in the applicable Schedule of Fees will be made to the consumer who requested the test.

When a meter in service is tested and found to have over-registered the amount of energy delivered by more than two percent, the Association will recalculate the bills for service from the known date of error and will make a refund to the consumer if the amount of adjustment exceeds five dollars.

If the beginning date of error is unknown, the Association will refund the most recent member of record for the billed error for the period since the meter was last tested, not to exceed six months, or the period during which the most recent consumer of record received service through the meter, whichever period is shorter. Adjustments for billing purposes will be made as if the meter read 100 percent accurate.

When a meter in service is tested and found to have under-registered the amount of energy delivered, the Association will not charge the consumer for the under-billings unless there is evidence of meter or electric service tampering or vandalism.

If the meter does not produce a final read, the Association will use the last two months' average usage to calculate a final read.

5.8 Inactive Meters

If a meter has been inactive (no energy use) for over 24 consecutive months, the Association may disconnect and remove the meter.

5.9 Non-Standard Tolerances

Where a consumer requires a degree of regulation of the characteristics of the electrical service greater than that normally furnished by the Association under applicable codes and standards, the consumer shall be responsible for obtaining, owning, installing, and maintaining the required regulating equipment.

5.10 Protective Equipment

It is the consumer's responsibility to provide suitable protective equipment for the devices and appliances on his premises. If three-phase equipment is used, it is the consumer's responsibility to protect such equipment against single phase operation and under- and over-voltage conditions.

5.11 Consumer's Obligation to Association Facilities

A consumer or consumer's representative shall not perform work, construct, or place obstructions adjacent to or within an Association easement or right of way if it creates a violation of applicable codes or inhibits or denies the Association reasonable access to its facilities. If the Association is made aware that such work, construction, or obstruction poses a hazard to the Association or to Association property, creates a violation of applicable codes, or inhibits or denies the Association reasonable access to its facilities, the Association shall notify the consumer in writing and shall advise the consumer to take corrective action unless the work, construction, or obstruction presents an immediate hazard to Association property or to the Association (as determined by the Association in its sole discretion). In that event, the Association shall take all necessary corrective action (as determined in its discretion) to eliminate the hazard, without notice and at the consumer's expense. If the work, construction, or obstruction does not present an immediate hazard to the Association property or to the Association, the consumer shall correct the problem within 15 days of receipt of written notification from the Association.

If the problem has not been corrected within that time, the Association may take necessary corrective actions to eliminate the hazard, violation, or obstruction at the consumer's expense. These provisions are for the protection of the Association and the Association's property and may not be relied upon by the general public or any third party.

5.12 Unauthorized Attachments

Written permission must be obtained from the Association before any equipment or material of any description may be attached to any utility pole, guy wire, electrical equipment, or other property of the Association.

6 Conditions of Service

6.1 Service Boundaries and Limitations

- A. The premises to be serviced must be located within the Association's service area.
- B. Premises shall be accessible year-round by standard four-wheel-drive vehicle.

6.2 Membership

The Association is a nonprofit electric cooperative corporation, and membership therein is a condition of receiving electric service. In order to receive electric service, any person, husband and wife jointly, two natural persons jointly, partnership, federal agency, business trust, firm, association, corporation or body politic or subdivision thereof shall by application and presentation of sufficient identification become a member of the Association, pay the required deposits and fees, if any, (see Schedule of Fees) and shall agree to be bound by the Articles of Incorporation and the Bylaws of the Association and policies and procedures adopted from time to time by the Board of Directors. Memberships are not transferable.

6.3 Application for Service

Each applicant for electric service is required to sign the Association's form of application for electric service or a special contract. Providing complete and accurate information on this form is a condition of service. Large industrial or commercial contracts may be written on a special form and shall contain such provisions and stipulations as may be necessary or desirable to protect the interests of both the Association and the consumer. Acceptance of service, with or without a signed application or contract, shall constitute an agreement and acceptance of the applicable rate schedule or schedules and these customer service policies.

6.4 Service Contracts

The Association may require a consumer, as a condition of service, to sign a contract guaranteeing a certain minimum level of revenue for a specified period of time. Other contracts may be required for specific services or equipment.

6.5 Term of Service

Unless otherwise provided in a specific contract for service, the minimum term for which permanent service will be rendered is one month or 30 days, whichever is less. Any consumer taking service for less than this minimum term will be billed according to Section 4.2, Temporary Service.

6.6 Authorization

All orders concerning electrical service must be executed by the consumer, the consumer's attorney-in-fact, or the consumer's authorized agent. An officer or authorized representative may make orders on behalf of an association, corporation, or government unit. Joint members may act for each other, and such action shall bind both members.

6.7 Former Indebtedness

If a former consumer indebted to the Association attempts, by some agency, relationship, or otherwise, to obtain service, the Association reserves the right to refuse service until payment is made by the consumer of all money due from the consumer to the Association. This shall include the indebtedness, the reconnect fee, a late payment fee, interest on the indebtedness, and, if any, the funds due from any previous line extension contract.

6.8 Easements

The consumer and/or the legal property owner shall, without charge to the Association, execute an easement providing for a suitable right of way for the Association distribution lines crossing the owner's property and providing service to the consumer.

In the taking of easements in areas of new construction or service, it shall be and remain the policy of the Association, as a condition for furnishing service, to require use of its standard form granting nonrestrictive right of entry to all the property described for the purposes therein mentioned, and, likewise, where practicable, in all other areas. Easements containing special restrictions or limitations shall be accepted by the Association only in special cases, at the discretion of the Association, for specific reasons and good cause shown. The consumer shall pay the additional legal and survey costs associated with nonstandard easements.

State of Alaska highway, right of way, permitting, and survey costs shall be completed by the Association at the consumer's expense.

As a condition of acceptance of a restriction or limited easement, at the request of the grantor, which requires the services of a surveyor to determine the exact boundaries, such grantor shall be required to pay the full cost of such surveyor's services, and further, such easement shall contain acceptable provisions for future routes to other consumers.

6.9 Deposits

The Association requires a separate deposit for each meter. Applicants may be required to pay the deposit upon application for service. The deposit can be equal to but not exceed the Association's estimate of two times the consumer's average monthly bill. Said deposit shall be deemed as security for the payment of unpaid bills upon termination of service and shall not impair any right of the Association to terminate service as provided by these Rules and Regulations. If service has been disconnected due to nonpayment, the Association may increase the deposit to three (3) times the average monthly bill.

The Association will pay interest as required by AS 42.05.365 on deposits for a single meter which exceed \$100. However, if delinquent payments result in disconnection of service, the Association will not pay interest on the deposit for 12 months after reestablishing service.

The Association will not require a consumer to produce the deposit receipt in order to receive a refund of the deposit.

A. Deposit Waivers and Credit Letter Refunds

The Association will waive or refund a deposit plus any accrued interest within 90 days if the applicant is able to meet any of the following conditions:

- (1) A member in good standing, which is defined as a member with an established good payment record with the Association as evidenced by receiving service from the Association with no more than one delinquency in payment during the last 12 consecutive months of service; or
- (2) The applicant provides a letter from a utility which last provided service to the applicant stating no delinquency in the last 12 consecutive months at the prior location.
- (3) For residential applicants, the applicant provides a written guarantee from another member of the Association accepting financial responsibility for the applicant's electrical billings in the event of nonpayment. The member guaranteeing the billings of an applicant must himself qualify for deposit waiver as set forth in subparagraphs A and B of this section.
- (4) Gaps in dates are acceptable for individuals who have been deployed out of country for military service.
- (5) A member with a residential account will not qualify as a business account for a deposit waiver. New businesses with no established credit under that rate class will be required to pay a deposit.

B. Termination of Service and Collection Experience Refunds

The Association will refund deposits plus any accrued interest within (30) days after the earlier of:

- (1) 12 months of continuous service, if the consumer has not been past due in the payment of utility bills more than twice, has not been delinquent in the last six months, and is not past due at review; or
- (2) termination of service, to the extent the amount held exceeds any balance due the Association for electric service, late fees, and finance charges.

C. Economic Hardship Deferral

The Association will provide deferred payment deposit arrangements in cases where a residential consumer demonstrates clear economic hardship.

D. Deposit Increase for Changed Conditions

A consumer who has a deposit on file whose use has increased materially may be required to add to their current deposit with the Association, upon request. The total required deposit may not exceed the Association's estimate of two (2) times the consumer's average monthly bill. The consumer will be given 30 days to pay this increased deposit. The unpaid deposit will constitute a past due amount after the 30 days.

E. Re-establish Deposit Conditions

If a member is delinquent and after three (3) consecutive months on the non-pay list, and/or an increase in usage by more than 50 percent occurs, an increased or new deposit will be required.

If service has been disconnected due to nonpayment, the Association may increase the deposit to three (3) times the average monthly bill.

6.10 Inspections

Except in emergency situations, service will not be connected until the Association receives evidence that an inspection to ensure compliance with minimum safety requirements of the National Electrical Code, the National Electric Safety Code, the Alaska General Safety Code, and the Association's standards as set forth in the *Meterbase Guidelines* (the Guide). Any inspections performed by the Association will be limited to the supply side of the service entrance equipment. Inspections subsequent to the first inspection are subject to a fee as set forth in the applicable Schedule of Fees.

6.11 Installation and Accessibility of Association Property

Meters will be installed on the outside of the building and to minimum service standards of the Association as set forth in the Guide. Consumers will be required, at the request of the Association, to move meters to an outside installation at the consumer's expense. Any change in the location of service connections must be approved by the Association prior to the move.

Consumers shall provide any properly identified employee of the Association with unrestricted access to the Association's property at all reasonable times for any purpose, including, but not limited to: reading meters; testing or inspecting consumers' load or equipment; repairing, removing, or replacing any equipment belonging to the Association; and clearing access to the Association's property (i.e., pedestals, poles, lines, meters, or transformers). In special cases where equipment is located within enclosed areas, the Association must be provided reasonable access or must be allowed to place an Association lock on the enclosure.

6.12 Protection of Association Property

Any equipment or devices furnished by the Association shall remain its property and may be removed by the Association at any time on the termination of an agreement or the discontinuance of service.

The consumer is responsible for the reasonable safekeeping of the Association's property which is on his premises. A consumer shall take all reasonable precautions against unlawful interference with that property and take all steps necessary to ensure access to that property is unimpaired. In the event of loss or damage to the Association's property because of the consumer's negligence, the Association may collect from the consumer the cost of repairs or replacement.

6.13 Tampering with Association Property

Tampering with meters and other facilities of the Association violates these consumer service policies and Rules and Regulations. The tampering may also result in civil liability under Alaska law (AS 42.20.030). The Association may collect from the party up to three times its damages sustained and three times the value of the service taken as a result of such tampering. Further, the party may be convicted of several criminal offenses, with penalties ranging up to 10 years imprisonment and a fine of \$100,000, depending upon the magnitude of the offense (AS 11.46.480, 12.55.125[d], and 12.55.035[c] [1]).

In addition to statutory penalties, a fee as set forth in the applicable Schedule of Fees will be charged for consumers' facilities where a seal has been broken or removed, or the Association's facilities are otherwise tampered with. In flagrant cases, electric utility service will be discontinued (Section 10.9). Authorization to break a meter seal will be given in appropriate cases upon application and payment of a fee as set forth in the applicable Schedule of Fees. Damage or vandalism includes, but is not limited to, broken glass, broken seals, and altered mechanisms.

In order to protect its equipment and service, the Association may seal the service switch and/or other devices or enclosures on the consumer's premises to prevent access by any unauthorized persons. The consumer shall not in any way interfere with or alter the meters, seals, or other property used in connection with rendering electric service, or permit same to be done by other than the authorized agents or employees of the Association. Damage to or loss of Association property shall be paid for by the consumer.

Damage to or removal of the Association's meters, seals, or other property shall be considered sufficient reason for discontinuance of service to a consumer until the Association has received satisfactory assurance that its equipment will be free from future interference and until all damages, fines, and bills for metered or unmetered electricity have been paid.

6.14 Refusal of Service

The Association may refuse to establish new service if any of the following conditions exist:

- A. an applicant falsifies any information relied on by the Association and fails to subsequently correct the falsification with documentation acceptable to the Association;
- B. an applicant has an outstanding amount past due for utility service and has not made arrangements acceptable to the Association for payment thereof;
- C. a condition exists or would exist upon establishment of service which the Association believes is unsafe or hazardous to the persons or the integrity of the Association's energy delivery system;
- D. an applicant does not meet the credit criteria for waiver of deposit requirements and fails to provide the Association with a deposit; or
- E. an applicant refuses to furnish funds, services, equipment, or rights of way which have been specified by the Association as necessary to provide service.

6.15 Applicable Rate

When a consumer qualifies for service on an applicable rate schedule other than on which the consumer is being billed, the consumer shall so notify the Association in writing, and the change in schedule will become effective after the next regular meter reading.

6.16 Resale of Energy

The consumer shall not resell or share with others any electric service furnished by the Association, except for that allowed by Section 11.1.

6.17 Notice of Trouble

The consumer can assist the Association by promptly notifying the Association of any defects, trouble, or accident affecting the supply of electricity. The consumer/owner shall notify the Association of trees or other obstructions growing into or being built into rights of ways.

6.18 Consumer Power Outage

If the consumer's service fails, the consumer shall endeavor to determine if fuses have been blown, breakers tripped, or equipment is at fault before calling the Association. If a service person is sent out at the consumer's request and it is determined the consumer's equipment is at fault, a charge will be made for the call in accordance with the Schedule of Fees.

6.19 Personal Guarantee Requirements

The Association reserves the right to require personal guarantees of payment from the principal shareholders or officers prior to accepting a corporation's application for service. The Association also reserves the right to require all general partners of a partnership to sign an application for service.

6.20 Consumer Complaints

A. Complaint Process

- (1) Any customer who feels that the Association has violated its tariff or has otherwise not accorded him fair and equitable treatment may submit the matter for review under the following procedures.
- (2) The complaint will be heard by higher authority only if the following steps have been completed.

- (a) If an Association employee is unable to resolve a customer complaint, they shall immediately refer the complaint to the appropriate department manager, who shall make every reasonable effort to settle the matter within 10 working days.
- (b) If the department manager is unable to resolve the complaint in a timely manner, the customer will be provided with a copy of this policy and asked to put the complaint in writing in a letter addressed to the Association's chief executive officer.
- (c) If the chief executive officer is unable to resolve the complaint within 10 working days, the customer may request a formal hearing before the Board of Adjustment.

B. Hearing Authority and Process

A Board of Adjustment shall be selected for each district of the Association from its respective members. The Board of Adjustment shall consist of five members, who are not members of the Board of Directors or employees of the Association, or close relatives of same.

The Board of Adjustment shall be selected at random from interested members who have submitted their names for consideration in advance of or at the annual meeting. The selection of members will be done at the annual meeting. Board of Adjustment members will be asked to serve voluntarily for a term of two years, without compensation.

The Board of Adjustment shall meet within 30 days of request for a formal hearing from a customer.

The Board of Adjustment shall determine the facts of the complaint, receive testimony from the chief executive officer or his designated representative, and the customer and/or the customer's representative.

The decision shall consist of three parts:

- (1) the facts of the complaint;
- (2) the applicable section of the tariff; and
- (3) the ruling on the complaint.

The Board of Adjustment will prepare a written decision within 10 working days after the date of the formal hearing. The customer and the Association will be provided copies of the decision.

C. Appeal Process

In the event that either the chief executive officer or the customer are not satisfied with the decision of the Board of Adjustment, each may request the matter be placed on the agenda of the next meeting of the Association's Board of Directors, where the customer and the chief executive officer may appear in person to appeal the determination of the Board of Adjustment. Before the meeting, each director shall be furnished with a copy of the Board of Adjustment's report on the complaint.

The decision of the Board of Directors shall be final.

7 Extension of Facilities

7.1 General Provisions Applicable to All Line Extensions

- A. Consumers may design and construct their own line extensions in accordance with Section 7.12.
- B. Where application of the line extension provisions in this section would result in an inequitable apportionment of costs to one or more consumers or where the provisions do not appear applicable to the circumstances, the Association will enter into a special contract with the consumer; the contract must be approved by the Association's Board of Directors before it can go into effect.
- C. The Association will not initiate any line extension or clearing of right of way under this policy until all required advances, contributions, applicable memberships, deposits, easements, permits, required fees, and related documents have been received by the Association, properly signed and executed.
- D. Primary system construction may be either overhead or underground, at the option of the Association. A subdivision must be installed either totally underground or totally overhead and may not be a combination of the two unless approved otherwise by the Association.
- E. Specific costs incurred because of winter construction must be paid by the consumer as a nonrefundable contribution.
- F. A consumer is not responsible for the cost of system upgrade that is incidentally the result of the consumer's addition to the system if the consumer has a load requirement comparable to those in the area being served by the facilities requiring upgrade.
- G. Cost estimates made by the Association shall be in effect for a period of 180 days.
- H. Line extension contracts executed prior to the effective date of this policy shall remain in effect.

7.2 Line Extension Policy

A. Description of Standard Offering

- (1) The Association will expend no more than \$5,000 to extend service to any consumer who makes application for permanent service (as described in Section 4.1) to a single service location within the Association's authorized service area; this is referred to as the "standard offering". Except as may be set forth in a special contract under Section 7.16, the consumer must pay the costs which exceed the standard offering as either a potentially refundable advance-in-aid-of-construction or nonrefundable contribution-in-aid-of-construction.
- (2) The standard offering is not available to consumers who design and construct their own line extension and/or service connections, and does not apply to any costs arising from a special contract under Section 7.16.
- (3) Standard offerings are not available for service connections to facilities constructed under Sections 7.13 and 7.14 of these rules and regulations.
- (4) Standard offerings are not available for temporary service connections.

B. Cost Estimates

- (1) The Association will provide consumers requesting an extension of facilities with construction cost estimates at the following cost.

(a) Individual Consumer Extension

One construction cost estimate per premises will be provided at no cost to the individual consumer. The estimate may include a contingency. Additional cost estimates may be billed to the consumer.

(b) Subdivisions and Mobile Home Parks (Sections 7.13 and 7.14)

The Association will require the developer to pay a cost estimation fee equal to the Association's estimated cost of preparing the cost estimate for each subdivision and mobile home park for which the developer requests a cost estimate, prior to the Association's preparation and furnishing of a construction cost estimate.

- (2) Unless otherwise indicated, all fees received by the Association in payment for construction cost estimates will be considered an advance-in-aid-of-construction. All cost estimation fees received for projects in which construction has not commenced within one year of receipt of the fee will be retained and will not be subject to refund to the developer. If projects are canceled within one year of receipt of the fee, the amount to be refunded shall be limited to the amount of the fee less any costs incurred by the Association.

C. Advance Payments Required

If the cost of providing the requested service (not including the costs arising from a special contract under Section 7.16) is more than the standard offering, the consumer must pay in full in advance of construction the Association's estimate of the costs which exceed the standard offering, together with all the consumer's costs under a special contract pursuant to Section 7.16. The Association's estimate may include a contingency. As described below, circumstances will determine whether the payment required from the consumer is a nonrefundable contribution-in-aid-of-construction or potentially refundable advance-in-aid-of-construction.

D. Cost Responsibility

Ordinarily, if estimated costs exceed actual costs, the Association will make a refund to the consumer so that the consumer pays only the costs which exceed the standard offering. If actual costs exceed the estimated costs, the Association may require the consumer to reimburse the Association for all the additional costs which occurred because of additional construction work requested or caused by the consumer following the initial written estimate; except for these additional consumer caused costs, the Association will bear other actual costs in excess of the initial written estimate as a cost of doing business.

E. Written Authorization Required

Any consumer whose extension requires a payment to the Association will be notified in writing of the estimated cost of the service, the standard offering, the required contribution or advance, terms and conditions of payment, and the estimated completion date of the work. This notification will be signed by a representative of the Association. The Association will not begin construction until the consumer has in writing authorized construction to begin under the terms of the notification.

F. Cost Sharing

- (1) Line extensions are subject to cost sharing by future consumers for a period of five years following completion of construction of the original line extension. If a new consumer is to be served from a previously constructed line extension within five years from the date the earlier line extension was completed and if there are still un-refunded advances from that earlier line extension, the new consumer must assist in payment for that earlier line extension. As described below, in some cases the new consumer's cost sharing may occur through application of the standard offering.
- (2) When a subsequent consumer is required to make advances-in-aid-of-construction to share in the costs of an earlier line extension to which the subsequent consumer is connecting, those advances-in-aid-of-construction will be refunded to the earlier consumer(s) who previously advanced funds for that earlier line extension. The Association will attempt to make the refunds to the earlier consumers within 60 days of receipt of the amounts from the new consumers.
- (3) At least annually advances will be refunded to consumers due such refunds because of new consumers being served by the line extension. Consumers who have un-refunded advances-in-aid-of-construction with the Association may request, in writing, an annual report of the consumers added to the line extension for which they furnished advances.
- (4) In calculating cost sharing amounts and refunds, the general principle to be followed is that consumers using equal lengths of a facility should have an equal investment in those facilities.
- (5) In no case may the amount of a refund to a consumer exceed the amount the consumer originally advanced.
- (6) Individuals or companies that made an advance-in-aid-of-construction to the Association are responsible for keeping the Association informed of their current address.
- (7) All advances-in-aid-of-construction made by a consumer that have not become eligible for refund through the addition of new consumers within a period of five years from the date construction is completed will become the property of the Association and will no longer be refundable.
- (8) Advances-in-aid-of-construction are not interest bearing.

G. Application of Standard Offering

The standard offering will be applied to the total cost of the consumer's service (not including costs arising from a special contract under Section 7.16, to which the standard offering does not apply) in the following order:

- (1) to the cost of the facilities dedicated to the consumer which do not have the capability of providing service to future consumers, e.g., secondary service facilities or primary facilities on the consumer's private property. For costs of this nature which remain after subtraction of the standard offering, the consumer must make a nonrefundable contribution-in-aid-of-construction;
- (2) to the cost of facilities constructed for the consumer which have the capability of providing service to future consumers, e.g., primary facilities along a public right of way. For costs of this nature which remain after subtraction of any remaining standard offering, the consumer must make a potentially refundable advance-in-aid-of-construction; and
- (3) to the un-refunded advances-in-aid-of-construction from an earlier line extension for which the new consumer is required to share in the costs.

H. Multiple Meter Residential and Commercial Buildings

Where the consumer requests a permanent line extension to a single service location with multiple meters, such as a duplex or commercial office building, the Association will, at the time of construction, provide a single standard offering.

- (1) Subject to the condition that in no case may the amount of a refund to a consumer exceed the amount the consumer originally advanced, additional services which are energized and take service continuously for a period of 24 months are eligible for a refund based on the lesser of:
 - (a) the standard offering; or
 - (b) the pro rata cost of each meter served through that line extension.
- (2) All funds advanced by the consumer which have not been refunded within five years of completion of the project shall become the property of the Association and shall not be refundable.

7.3 Applicant Requirements

The Association will not begin construction until the following steps have been completed:

- A. The applicant must complete and sign the Association's application for service.

- B. If applicable, the applicant must provide the Association with a recorded plat dedicating any easements necessary for the construction of the extension.
- C. If required by the Association, the applicant must provide civil drawings or “as-builts” showing location of telephone, water, sewer, gas, cable television, and other existing facilities in the easements and public rights of way.
- D. The applicant must provide a site description setting forth all available information pertaining to location of signs, parking, fences, and other like facilities expected to be installed in the future.
- E. The applicant must either pay or make financing arrangements for all costs required for the type of service requested.
- F. All roads and ways reflected on a subdivision plat must be constructed to approximate final sub-grade and be free of man-made obstructions. Construction of any deep utility systems such as sewer and water must be completed.
- G. The applicant must provide the Association with load and voltage information.
- H. The applicant must execute and deliver to the Association any special contract required under Section 7.16.
- I. The applicant must provide easements as provided by Section 6.9 of this tariff.
- J. The applicant must clear right of way per Association requirements.
- K. The applicant must complete installation and required inspections of service entrance equipment.

7.4 Conversion/Rebuilding of Existing Facilities

If the extension of service to a particular large load or a subdivision plan requires the Association to convert or rebuild an existing section of the line, the cost of the conversion/rebuilding shall be included in the total estimated cost of the line extension, if in the Association's opinion:

- A. the consumer's expected electrical load would cause the voltage drop on the circuit to which the load will be connected to both double and exceed eight percent on a 120-volt base; or if
- B. the total diversified demand is expected to both double the load on the circuit to which the consumer's load is connected and exceed 250 kW on the Association's 15 kV system or 500 kW on the Association's 25 kV system; or if

- C. a single-phase to three-phase conversion is necessary to meet the consumer's service requirements.

Notwithstanding the above provisions, a consumer is not responsible for the cost of system upgrade which is incidentally the result of the consumer's addition to the system if the consumer has a load requirement comparable to those in the area being served by the facilities requiring upgrade.

7.5 Winter Construction

The consumer shall reimburse the Association for any additional costs, damages, and expenses incurred by the Association should the consumer's contractor proceed or commence with construction work after freeze-up. These additional costs, expenses, and damages include, but are not limited to, damage done to roads or other improvements caused directly or indirectly by backfilling trenches or other utility excavations with frost susceptible material. Six inches of frost is normally considered freeze-up. The Association shall be the sole judge of when freeze-up has occurred.

If the Association is instructed by a consumer to proceed or commence with winter construction, the Association reserves the right at its sole discretion to impose the costs of that winter construction on the consumer. Those charges shall be paid by the consumer and considered non-refundable. All other costs, expenses, and damages associated with winter construction as described above shall also be considered nonrefundable.

The Association further reserves the right at its sole discretion to require that construction be delayed or postponed until the onset of the next regular construction season or at such other time as the Association may require. Any special charges for winter construction imposed by the Association shall be paid by the consumer to the Association prior to commencement or continuation of winter construction.

7.6 Change in Scope of Construction

The Association may charge as a contribution-in-aid-of-construction an amount equal to the cost of construction for any changes in the scope of construction caused or requested by the consumer between the time of execution of contract or service request and actual construction. Such changes include, but are not limited to, changes in design desired or required by consumer, winter construction, unforeseen surveying requirements, or changes in grade.

7.7 Successors in Interest

The consumer's interest in any refund to which the consumer may be entitled under this section accrues to the benefit of the consumer's heirs, successors, and assignees, but no assignment thereof will be effective unless it is in writing and filed with the Association. The Association, likewise, has no obligation to make a refund to any person for whom it has not been furnished a current mailing address.

7.8 Consumer Requested Changes to Meters or Service Lines

- A. If a consumer requests that the Association change the meter or service line location on the consumer's premises, the consumer must pay the Association as a nonrefundable contribution the estimated costs that the Association will incur in relocating the meter or service line.
- B. Before the Association commences to make the requested change, the Association will provide the consumer with an estimate of the costs involved, which may include a contingency.
- C. If the actual costs of changing the meter or service line location are less than the estimated costs, the Association will make a refund to the consumer of the difference. If actual costs exceed the estimated costs, the Association will require the consumer to reimburse the Association for additional costs which occurred because of additional construction work requested or caused by the consumer following the initial estimate; except for these additional consumer caused costs, the Association will bear as a cost of doing business other actual costs in excess of the initial written estimate.

7.9 Unauthorized Construction

If a consumer or the consumer's authorized representative performs work or constructs facilities adjacent to or within an easement or right of way, and such work, construction, or facility poses a hazard, is in violation of federal, state, or local codes or laws, or significantly interferes with the Association's access to equipment, the Association shall notify the consumer or the consumer's authorized representative. If the consumer does not promptly correct the situation, the Association will take the necessary actions to eliminate the hazard, obstruction, or violation at the consumer's expense.

7.10 Financing Assistance

When the Association designs and constructs a permanent extension to its facilities, the Association will provide financing assistance to a consumer who requests a single residential extension where the cost of providing service to any individual consumer is in excess of the standard offering and subject to certain conditions.

- A. If the Association is satisfied with the consumer's credit worthiness, the Association will finance the amount of the extension greater than the standard offering. The terms and conditions pertaining to the amount financed by the Association will be consistent with the board policy in effect at the time the financing is provided.

- B. Prior to providing financing assistance, the Association may require the consumer to provide adequate security such as real property, mortgage, or deed of trust, to protect the Association's investment. Such a security instrument will be released once the monies are paid in full.
- C. Refunds of advances-in-aid-of-construction due the consumer will be applied against the balance of the consumer's contract and the number of monthly payments will be reduced accordingly.
- D. If the consumer sells the residence while the contract is in effect, the consumer will be required to pay the outstanding balance in full at the time of sale. Alternatively, the Association will, subject to the new owner's credit worthiness, permit the new owner to assume in writing the payment obligations of the contract.

7.11 Temporary Service

A. General

An applicant requesting an extension for the purposes of temporary service shall pay, as a non-refundable contribution-in-aid-of-construction, prior to commencement of construction, the total estimated costs associated with the construction and removal of the service.

B. Conversion of Temporary Extensions to Permanent Extensions

If, during the term of a temporary service, the character of the consumer's operations changes and it appears that the duration of the service is likely to be permanent, the consumer may request that the service be converted to permanent. The Association will make the proper changes to classify the service as permanent and recalculate the initial charges based on the extension being permanent rather than temporary.

C. Permanency Criteria Satisfied

Within two years of the date the facility is energized where the consumer takes electrical services continuously for 12 consecutive months or if the premises is improved to meet the requirements of permanency as set forth in Section 4.1, a refund will be made to the consumer equal to the lesser of

- (1) the standard offering in effect at the time the extension was constructed; or
- (2) the cost of constructing the extension; or

- (3) if the consumer's extension is attached to a commonly shared portion of an extension, then refund provision of Section 7.2 shall apply. In no case shall the amount of refund exceed the advance-in-aid-of-construction payment less the standard offering.

7.12 Applicant Design and Construction Procedure for Extension of Distribution Facilities

An applicant for service may design, construct, and install new distribution facilities under the following conditions and understandings.

A. Before Construction Begins

- (1) All design, construction, and materials must meet the standards and specifications of the Association and any other applicable codes and standards provided by law.
- (2) The applicant must complete and sign an application for service.
- (3) The applicant must complete and sign the Association's line extension agreement and any special contract required under Section 7.16.
- (4) All such facilities must be designed and final inspection conducted and certified by an electrical engineer who is registered in Alaska and is qualified by the Association on the basis of education and experience.
- (5) The electrical lay-out, routing, and equipment placement and other drawings and designs must have the Association's approval for construction and must conform to the State minimum electrical standards and Association standards.
- (6) The applicant must obtain necessary permits and rights of way; however, if requested, the Association will, where appropriate, assist the applicant in obtaining necessary easements. The Association shall permit the use of existing public easements unless prohibited by law.
- (7) The applicant furnishes a guarantee in the form of a performance bond, letter of credit drawn upon a reputable financial institution, escrow account, or cash advance acceptable to the Association as a warranty that the facilities:
 - (a) will be installed in a workmanlike manner and in accordance with the applicable design specifications; and
 - (b) will perform satisfactorily for one year after being energized; and
 - (c) will be completed once construction has begun.

If repairs are required for reasons caused by the applicant, the Association will perform those repairs and be reimbursed by the bond, letter of credit, escrow account, or cash advance.

- (8) Applicants, their engineers, and their contractors shall maintain insurance of the types and with the coverage acceptable to the Association at all times during design and construction.

B. During Construction

- (1) All facilities must be constructed under the supervision of an electrical administrator in that area of expertise who is licensed in the State of Alaska to perform outside electrical construction.
- (2) All personnel engaged in outside electrical construction must have certificates of fitness issued by the State of Alaska.
- (3) All personnel splicing primary cables must be prequalified by the Association.
- (4) All facilities will be subject to reasonable inspection by the Association during construction and after construction is complete. Inspectors will be billed at reasonable cost. The applicant must make any changes which are required to meet the Association's design specifications, requirements of all federal, state, and local codes, and other applicable requirements. All underground cables shall be hi-pot tested by the Association prior to energization.
- (5) All applicants shall comply with the terms of any joint use agreements between the Association and other utilities.
- (6) In no event may an applicant or his contractors or subcontractors work on energized facilities. Any interface work required will be designed by the Association and construction will be administered by the Association as provided for in other sections of this tariff.

C. After Construction

- (1) The applicant must provide the Association with a certified as-built survey tied to state plane coordinates of the installed facilities performed by a registered surveyor and a release of all liens signed by all contractors, subcontractors, and material suppliers on the project.

- (2) The Association must make a final inspection of the facilities, which will be performed within five working days after the applicant gives the Association notice of project completion. The applicant is responsible for correcting any noted deficiencies which do not meet the Association's design specifications, federal, state, and local codes, and other applicable requirements. The Association will not energize facilities until all deficiencies are corrected.
- (3) Once the requirements of this section are met and upon acceptance by the Association, the consumer installed facilities must be given to the Association as a contribution-in-aid-of-construction as required by 3 AAC 52.455(h).
- (4) The Association will energize the facilities within the later of:
 - (a) five working days after inspection and acceptance of the facilities; or
 - (b) after receipt of applicant's request for energizing.
- (5) The costs incurred by the applicant in building the facilities are considered to be a nonrefundable contribution-in-aid of construction.

7.13 Residential or Commercial/Industrial Subdivisions

This section is applicable only to developers of residential and commercial/industrial subdivisions.

A. Facilities Extension Agreement

The developer must enter into a "Facilities Extension Agreement" and any special contract required under Section 7.16 with the Association prior to commencement of installation of facilities by either the Association or the developer. The developer will not be eligible for a refund on any portion of an extension installed prior to the signing of the agreement by both the Association and the developer.

B. If a residential or commercial/industrial subdivision is designed and/or constructed by a developer, the provisions of Section 7.12 shall apply.

C. If the developer elects to have the Association install the line extension, the developer shall make a payment to the Association in the form of a cashier's check, an advance-in-aid-of-construction equaling the estimated total cost of the distribution system extension to and within the subdivision. The estimate may include a contingency. The advance-in-aid-of-construction will be adjusted to actual cost after job completion but shall not exceed the estimate unless the costs are the result of additional construction work requested or caused by the developer subsequent to the initial written estimate, or except as noted in Sections 7.5 and 7.6.

- D. Regardless of whether installation of the extension is performed by the Association or an electrical contractor employed by the developer, the extension shall include all construction required to install distribution facilities serving each lot specified in the facilities extension agreement, including transformers and pedestals if underground construction.
- E. At such time as the Association connects a premises which is a permanent service, a refund will be paid to the developer on a pro rata per lot basis. Refunds will be calculated and paid six months after substantial completion of the project and every six months thereafter for a period of five years. Subject to the condition that in no case may the amount of a refund to a consumer exceed the amount the consumer originally advanced, the refund made to the developer will be the least of:
- (1) the prorated estimate paid by the developer for construction of the distribution system to serve all lots within the subdivision; or
 - (2) the prorated actual cost of construction of the distribution system to serve all lots within the subdivision; or
 - (3) the standard offering.
- F. All funds advanced by the developer which have not been refunded within five years of substantial completion of the project shall become the property of the Association and will no longer be refundable.
- G. Service connections extending from the distribution system to the applicant's service location will be constructed without charge to the applicant. If additional distribution facilities are necessary to serve the applicant, the applicant will be required to pay a contribution-in-aid-of-construction or a potentially refundable advance in aid of construction for those additional facilities.

7.14 Mobile Home Parks

This section is applicable only to developers of mobile home parks.

A. Facilities Extension Agreement

The developer must enter into a "Facilities Extension Agreement" and any special contract required under Section 7.16 with the Association prior to commencement of installation of facilities by either the Association or the developer. The developer will not be eligible for a refund on any portion of an extension installed prior to the signing of the Agreement by both the Association and the developer.

- B. All requirements as previously stipulated in Section 7.12 shall apply except for 7.12(c)(3) which does not apply to facilities constructed prior to June 9, 1995.
- C. If the developer elects to have the Association install the line extension, the developer shall make a payment to the Association in the form of a cashier's check, an advance-in-aid-of-construction equaling the estimated total cost of the distribution system extension to and within the subdivision. The estimate may include a contingency and the cost of making the estimate. The advance-in-aid-of-construction will be adjusted to actual cost after job completion but shall not exceed the estimate unless the costs are the result of additional construction work requested or caused by the developer subsequent to the initial written estimate, or except as noted in Sections 7.5 and 7.6.
- D. Regardless of whether installation of the extension is performed by the Association or an electrical contractor employed by the developer, the extension shall include all construction required to install both primary and secondary facilities to serve each lot or space within the mobile home park, including transformer and pedestals if underground construction.
- E. At such time as the Association connects a premises which satisfies its permanency criteria set out in Section 4.1, a refund will be paid to the developer on a pro rata per lot or per space basis. Refunds will be calculated and paid six months after substantial completion of the project and every six months thereafter for a period of three years. Subject to the condition that in no case may the amount of a refund to a consumer exceed the amount the consumer originally advanced, the refund made to the developer will be the least of:
 - (1) the prorated estimate paid by the developer for construction of the distribution and secondary system to serve all lots within the subdivision; or
 - (2) the prorated actual cost of construction of the distribution system to serve all lots or spaces within the subdivision; or
 - (3) the standard offering.
- F. All funds advanced by the developer which have not been refunded within five years of substantial completion of the project shall become the property of the Association and will no longer be refundable.
- G. Service connections extending from the distribution system to the applicant's service location will be constructed without charge to the applicant. If additional distribution facilities are necessary to serve the applicant, the applicant will be required to pay a contribution-in-aid-of-construction or a potentially refundable advance in aid of construction for those additional facilities.

7.15 Relocation of Facilities within Municipal Rights of Way

- A. In the following situations involving relocation of the Association's facilities located within a municipality's right of way, the municipality shall pay in full, as a contribution-in-aid-of-construction, the reasonable costs of making such relocation:
- (1) where the relocation is requested by the municipality incident to a municipal project or activity reflected in the municipality's capital budget; or
 - (2) where the relocation is necessitated by a disturbance to the Association's facilities incident to a municipality constructing facilities or otherwise working in the municipality's right of way; or
 - (3) where the relocation is requested, in writing, by the municipality for the benefit of a third party incident to the third party constructing facilities or working in the municipality's right of way. This provision does not affect any right of recovery by the municipality against the third party.
- B. Notwithstanding the provisions of A above, the Association shall pay the cost of relocating its facilities where the relocation is made necessary by:
- (1) the failure of the Association to install the facilities in a reasonably prudent manner; or
 - (2) repairs by the municipality necessary either to restore after emergency, or to otherwise reasonably maintain serviceability of the right of way in the condition existing when the Association first constructed its facilities; or

7.16 Service Requiring Special Contract

For industrial applicants with a connected load of greater than 1,000 kW, the Association may require a special line extension contract that may include a contribution and/or advance-in-aid-of-construction for construction of transmission facilities, substations, and base load and/or backup generation facilities. Such a contract will be subject to the approval of the Association's Board of Directors.

Any extension of facilities which, in the Association's opinion, would require an unreasonable amount of future maintenance expenses in relation to existing facilities, may require a special line extension contract that may include provision for such maintenance. Such contracts will be subject to the approval of the Association's Board of Directors.

The Association shall have the right, in its sole discretion, to require an applicant to enter into a point of delivery special contract for use of facilities constructed by the Association to bring closer to the applicant's service location the point from which line extension charges shall be computed.

The point of delivery special contract shall require each applicant using the facilities in question to pay a flat fee established by the Association to recover the cost of constructing those facilities, as a non-refundable contribution-in-aid-of-construction. The flat fee shall represent the Association's best reasonable estimate, as determined in the Association's sole discretion, of the estimated costs of construction of such facilities allocated to the number of applicants estimated to seek to connect to such facilities within a reasonable period of time. The same flat fee so determined by the Association shall be charged to all applicants who wish to obtain services through such facilities, notwithstanding where along such facilities the service is delivered to such applicants. The form of such contracts shall be approved by the Association's Board of Directors.

8 Consumer Requested Relocation of Facilities

The consumer will advance a sum equal to 100 percent of estimated cost for such relocation at the Association's normal reimbursable work order costs, including general overhead, with a credit for system improvements, if any. This advance will be adjusted to actual cost after job completion (but shall not exceed 110 percent of the estimated cost).

9 Service Connections

9.1 General Requirements

The Association makes *Meterbase Guidelines* (the Guide) available for the assistance of the consumer or electrical contractor installing a service entrance. This publication specifies the standards for construction on the consumer's side of the point of delivery. This construction guide is available to the public at both district offices and must be used as a guide before any consumer construction begins.

Any deviation from the specifications shown in the Guide must be approved in writing by the Engineering Services Department prior to construction.

A service installation which does not meet the guidelines set out in the Guide will not be energized. As issued and as modified from time-to-time without notice, these specifications will be enforced. If the consumer does not agree with these standards and a mutual agreement cannot be reached with the Association, the consumer can appeal to the Association's Board of Adjustment to resolve the dispute.

The Association will furnish the meter and connect its distribution lines with the consumer's service entrance. The wiring equipment, meter base, fuse box or breaker box, service switch, stand-pipe, and appurtenances shall be furnished by the consumer.

9.2 Point of Delivery

The point of delivery is that point on the consumer's premises or other agreed point where the Association terminates its electrical service conductors with connection to the consumer's wires. The delivery point shall be on the exterior of a building and/or structure.

9.3 Accessibility of Meter

The Association requires a consumer to install the consumer's service equipment on the building exterior, meter pole, or remote meter pedestals so that all meters are accessible to Association employees from the outside of the consumer's building. Written exceptions to this rule may be granted by the Association where conditions warrant. The Association will determine the location of the meter on the structure.

The rates of the Association are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same consumer at other points will be separately metered and billed. The Association will not totalize metering of separate points of delivery.

The Association may bill the consumer for the costs of gaining access to a consumer's meter for the purpose of inspection or obtaining accurate and timely meter readings.

9.4 Primary Service

Where primary-voltage metered service is supplied, the consumer, at the consumer's expense and in a manner satisfactory to the Association, shall furnish, install, and maintain on his premises such switches, transformers, regulators, relays, capacitors, and other equipment as the Association may deem necessary.

9.5 Service to Multi-Occupant Building

The consumer must arrange the wiring of a multi-occupant building so that the wiring for all stores or apartments will terminate at a common point designated by the Association. All units must be individually metered in accordance with 3 AAC 50.200, Individual Electric Meters.

9.6 Grandfathered Master Meters

Existing services where master meters were installed prior to December 31, 1982, and the operator-owner does not desire to convert to individual metering and individual account billing by the Association may continue to receive service as currently provided. All new services will comply with Sections 9.5 and 9.7 as of the date adopted. The Association will not be obligated to provide direct service to any mobile home when a central delivery and a secondary system are provided.

9.7 Service to Mobile Home Parks

In order for the occupants of mobile home parks to receive service, the mobile home park owner must furnish, install, and maintain an overhead or underground secondary voltage distribution system in accordance with applicable electric codes and the Association's requirements. This rule applies to all additions to existing systems and new parks developed after the effective date herein.

9.8 Service to Recreational Camper Parks

For service to recreational camper parks where the nature of service is not permanent but is of a transient use, the Association will install the service and a transformer with one meter in accordance with the criteria of the Association's current extension policy (Section 7.1).

9.9 Connection Time Periods

The Association will establish service to existing facilities within five working days following request by an applicant who has been accepted for service by the Association. An existing facility for this purpose is defined as a consumer facility which is ready, accessible, and acceptable to the Association, where the Association needs only to install a meter, read a meter, or turn on the service. If within this five day period the consumer requests the connection occur outside of regular working hours, the Association will assess an after-hours connection charge as listed in the Schedule of Fees.

If the Association cannot establish service to a new consumer facility within 30 days after it receives an application, it will, within 15 working days from the date of application, advise the consumer in writing of the reason for the delay, any interim type of service which may be available, and an estimated date when the requested service will be provided. For the purpose of this ruling, "new consumer facility" means consumer facilities which require the Association to do more than install or read a meter before service can be provided.

If the Association finds it is unable to meet any previously scheduled date for establishing service for a new consumer facility, it will advise the consumer in a timely manner of the revised date upon which service will reasonably be available.

9.10 Consumer's Wiring and Equipment

The consumer shall install, own, and maintain all wiring and equipment beyond the point of delivery, except meters and special facilities installed or furnished by the Association. The consumer will be required to install the main disconnect switch on the exterior of the building or structure near the meter socket. It is the responsibility of the consumer to ensure the electric installations conform to all applicable codes and the Association's applicable Guide.

The consumer shall furnish and install an Underwriter's Laboratory-Approved meter socket or sockets, as specified by the Association, for the installation of the Association's metering equipment. If instrument transformers are required, the consumer shall furnish and install mounting brackets or a suitable enclosure with the necessary conduit as specified by the Association. It shall be the consumer's responsibility to provide suitable protective equipment, such as fuses, circuit breakers, and relays to adequately protect the consumer's equipment. The Association reserves the right to refuse or discontinue service whenever the Association receives notice the consumer's equipment or wiring is in hazardous condition or not in conformity with lawful codes and local regulation.

The Association shall not be held liable or responsible for any loss or damage to persons or property resulting from defects beyond the point of delivery in the consumer's installation or equipment, or the delivery of energy thereto.

9.11 Motors

A. Motor Protective Devices

It shall be the responsibility of the consumer to provide suitable protective apparatus on all motor installations, including adequate protection against single phasing on three-phase motors.

B. Motor Starting Limitations

It shall be the responsibility of the consumer that use of electricity shall not interfere with the quality of the consumer's own service or that supplied to neighboring consumers. The following motor starting limitations are for this purpose.

C. Single-Phase Motors

Single-phase motors up to and including the one horsepower rating may be operated by consumers served at any of the single-phase service voltages, except that one-half horsepower motors on recurrent starting with more than one start per hour (such as those operating water pumps, furnace blowers, etc.) should preferably be served at not less than 208 or 240 volts. All consumers who operate single-phase motors larger than one horsepower rated capacity, irrespective of frequency of starting, will be served at 208 or 240 volts or higher. Special written approval of the Association is required for single-phase motors larger than five horsepower.

D. Polyphase Motors

Polyphase motors attached to the Association's equipment shall meet the standards as set forth by the National Electrical Manufacturers Association.

E. Written approval by the Association is required for all across-the-line start motors larger than 15 horsepower.

F. The following information shall be submitted to the Association when approval for motor service is requested: address of installation, motor horsepower, voltage, number of phases, locked rotor current guaranteed by the manufacturer or by test, type of driven load, maximum number of starts per eight-hour period, type of starting device, and horsepower rating of the largest motor, if one of a group.

9.12 Special Load Limitations and Requirements

A. Non-Inductive Loads

Where non-inductive loads are energized from the Association's secondary system and the ON-OFF frequency of load application is more than one ON-OFF cycle per hour, the maximum load on any one service feeder shall not exceed 100 kilowatts three-phase or 40 kilowatts, 240 volt single-phase without written approval from the Association. Loads in excess of these amounts may require special switching.

B. Welding Equipment

Welding equipment shall be of the limited input type which conforms to the standards of the National Electrical Manufacturers Association.

C. Minimum Power Factor Limitations

Lower power factor lighting such as neon, mercury vapor, and fluorescent shall have suitable auxiliary equipment to provide a power factor of not less than 85 percent lagging.

Unless otherwise specifically agreed, the Association shall not be obligated to deliver electric energy to the consumer at any time at a power factor below 75 percent.

D. Polyphase Equipment

When a consumer requires a polyphase service for small loads (i.e., 5 to 10 HP) in an area not having this type of service available, the Association may require the consumer to provide an approved phase converter subject to the Association's installation approval.

9.13 Standby Generation

Standby generation installations shall include the requirement for the installation of a double-throw switch on the consumer's side of the kilowatt-hour meter, with capacity in either position equal to the total connected electrical load through the switch. All such installations shall be subject to prior approval of the Association in order to assure the safety of the Association's personnel.

10 Billing and Collection

10.1 Payment of Bills

Bills for electrical service are due and payable when rendered.

All payments by a consumer must be made at, or mailed to, the Glennallen or Valdez offices of the Association.

A consumer's failure to receive bills or notices which have been properly addressed and placed in the United States mail will not prevent the bills from becoming past due or delinquent or excuse the consumer's responsibility for payment.

No consumer tendering a nonsufficient funds check will be relieved of the obligation to pay the Association under the original terms of the bill or be entitled to defer the Association's right to disconnect service for nonpayment of bills.

A. Past Due Amounts

Bills not paid in full within 25 days of the date rendered (provided postmark is no later than three days after the billing date) shall be considered past due unless the consumer enters into a deferred payment agreement with the Association in accordance with Section 10.2 of this tariff within the 25 day period. All amounts which are past due will be separately indicated on the following month's bill.

B. Delinquent Bills

All past due amounts which are not received at the close of the following billing cycle will be considered delinquent unless within that period the consumer enters into a deferred payment agreement with the Association. All amounts due which become delinquent will be separately indicated on the next monthly bill.

A consumer who is delinquent in payment is subject to disconnection under the procedures set out in Sections 10.9 and 10.10 of this tariff.

A consumer who has entered into a deferred payment agreement in accordance with Section 10.2 of this tariff will not be subject to disconnection for nonpayment of the delinquent bill as long as the consumer complies with the terms of the deferred payment agreement.

A consumer who has been disconnected for nonpayment will only be reconnected if the consumer pays the amount due, plus a reconnection fee, or enters into a deferred payment agreement, if qualified to do so.

The Association will charge a fee for the reconnection of service, during working hours and outside of work hours, as set forth in the applicable Schedule of Fees.

- C. A consumer who is delinquent in payment is subject to a late payment fee as provided in the Schedule of Fees contained in this tariff. Any late payment fee assessed as a result of a delinquent payment shall be in addition to all other fees collected as a result of such delinquent payment.

10.2 Deferred Payment Agreements

A residential consumer who is not able to pay the full amount of a bill for service or security deposit because of economic hardship may enter into a deferred payment agreement with the Association. Deferred payment deposits shall be noninterest bearing until the deferred payment agreement is paid in full.

A deferred payment agreement shall be of three month's duration (or less at the request of the consumer) unless extenuating circumstances can be proven and a contract is approved by the Association to extend for a period not to exceed 12 months. A maximum of two deferred payment agreements can be entered into annually.

The consumer must at the time of the agreement pay at least one third of the total amount due.

All deferred payment agreements must be in writing and must be signed by the consumer and a representative of the Association as duly authorized by the chief executive officer of the Association.

A finance charge as set forth in the applicable Schedule of Fees may be assessed when a consumer enters a deferred payment agreement.

10.3 Account Responsibility

- A. When the application for service has been signed by two or more individuals, the Association may collect the full amount of any bills for service from any one of the applicants.
- B. Bills are rendered in the name of the person shown in the Association's records as the party responsible for electric consumption at the specified location. Any change of occupancy, ownership, or account responsibility must be reported to the Association in writing pursuant to Section 10.9.A.
- C. The Association may sign an agreement with owners or operators of rental properties for the automatic continuance of service in the owner's name during periods of vacancy between renters. During such periods of vacancy, the owners will be billed as specified in the applicable rate schedule.

10.4 Payment during Consumer's Absence

It is the responsibility of the consumer to make prepayment or other satisfactory arrangements with the Association if absence from the community or other reasons will preclude the timely payment of his account. The Association will accept advance payments to accommodate the consumer.

10.5 Meter Reading and Estimated Billings

The Association shall separately bill for each meter at a consumer's premises.

Meters will be read approximately every 30 days, and bills will be sent out as soon as practical thereafter. The periods between meter readings will vary because of weekends, holidays, etc. No adjustments to billings will be made on account of such variations. If circumstances beyond the Association's control make meter reading dangerous or impractical or a consumer fails to turn in a meter reading as arranged with the Association, the Association may send a bill based on estimated usage considering, where applicable, the consumer's usage during the same month of the previous year or the amount of usage during the preceding month or months.

The consumer will be informed on the bill that the amount is an estimation. If a consumer's meter should become inaccessible due to excessive snow depth or where extenuating circumstances or hazardous conditions exist, the Association will continue to estimate billings until such time as the consumer provides cleared access to the meter or the extenuating circumstance or hazardous condition is corrected. Under normal circumstances, the Association will not estimate billing for more than two consecutive months.

10.6 Make-up Bills

Except as provided for in 3 AAC 52.465, the Association may render a "make-up" bill, without finance charge, for previously unbilled electric service as a result of a billing error by the Association for more than two consecutive estimated bills, subject to the following restrictions:

- A. The initial make-up bill must be issued within six months of provision of the previously unbilled service; and
- B. the period of payment, at the option of the consumer, may extend at least as long as the period during which the excess amount accrued or as long as necessary so that the amount of each bill is not greater than 150 percent of the normal estimated billing amount for that period.

10.7 Budget Billing

A. Eligibility

The budget billing program is an entirely voluntary billing option available to a residential consumer who receives service at a location where 12 months of billing history is available, and who is a member in good standing.

Consumers may only join the plan during the months of March and April. Notice of the availability of this plan will be provided by the Association. Participants in the plan are still subject to all of the Association's rules and regulations expressed in this tariff.

B. Budget Billing Amounts

A consumer electing the budget billing program will pay a monthly amount equal to the average of the total of the most recent 12 months' bills. This payment shall be made for 12 successive months with an annual additional payment to settle the difference between total budget payments and actual billings for the 12 month period. Estimates for budget billing amounts will be available to consumers upon request.

C. Adjustments

The accounts under the budget billing program will be reviewed periodically, but at least once per year, to compare actual billings with budget amounts. If this review indicates a variation of ten percent of actual billings versus anticipated, seasonally adjusted billings, the Association may adjust the consumer's monthly budget figure to bring the account into approximate balance. If during the true-up it is determined the consumer has been over charged, the amount over charged will be credited to their account.

The monthly budget billing amount may be adjusted for changes in the Association's rates or fuel adjustment factors when such changes have, in the judgment of the Association, a material impact on consumer bills.

D. Information on Consumer's Bill

The monthly bill of each budget billing plan participant shall include the following additional information: actual kilowatt hour consumption, amount due for actual consumption, budget billing amount due, and accumulated variation in actual versus budget billing amount.

E. Delinquency and Termination

If a consumer under the plan fails to pay the budget billing obligation in any month, including the settlement month, normal collection procedures will be followed, including disconnection, if necessary.

Any consumer on the budget billing plan who terminates service will be removed from the plan, and the entire outstanding amount for actual usage shall be due and payable on the consumer's final bill. Any credit balance owed the consumer will be credited to the final bill or refunded.

Any consumer who terminates participation in the plan, but not service, will have any outstanding credit balance applied to the current bill. Any credit balance in excess of that credited to the next bill will be credited to future bills.

An outstanding balance owed the Association will be due on the consumer's current bill and subject to normal collection procedures.

F. Disputes

Any consumer who disputes the correctness of a bill shall notify the Association and state reasoning in support of his position. Such notice shall not be sufficient reason to withhold payment. If a bill is found to be incorrect, the Association will credit the amount of overpayment to the next bill rendered. Any amount due the consumer in excess of that credited to the next bill will be credited to future bills or will be refunded at the consumer's request.

10.8 Dishonored Checks

A fee as set forth in the applicable Schedule of Fees for additional costs incurred by the Association will be charged for all dishonored checks. Should the Association be forced to pursue legal action, a fee of \$100 or three times the face value of the check, not to exceed \$1,000, can be assessed by the courts, in accordance with AS 09.65.115. Any person who has tendered two dishonored checks to the Association within a 12-month period may be denied the privilege of paying by personal check. Future payments will be required to be in cash or another medium of payment approved by the Association.

10.9 Disconnection of Service

The Association will maintain a record of each disconnection of service, including the reason for the disconnection. This record will be maintained by the Association for two years from the date of disconnection.

A. By Request

If a consumer, either in person or in writing, requests that service be disconnected, the Association may hold that consumer responsible for all services up to the latter of: the date the disconnection is to be made, or three working days after the date the request was received.

B. Without Notice

The Association may disconnect a consumer's service without advance written notice under the following conditions:

- (1) an immediate hazard exists which threatens the safety or health of the consumer or the general population or the Association personnel or facilities;
- (2) the Association has evidence of meter tampering or fraud by the consumer; or
- (3) a consumer has failed to comply with the curtailment procedures imposed by the Association during emergency supply shortages.

C. With Notice

The Association may commence disconnection procedures in accordance with noticing procedures as outlined in Section 10.10 of this tariff for any of the following reasons:

- (1) failure of the consumer to pay a delinquent account within 40 days after initial rendering of the bill unless the consumer has entered into a deferred payment agreement; or
- (2) failure of the consumer to meet or maintain the Association's deposit requirements, unless the consumer has entered into a deferred deposit payment agreement; or
- (3) knowing and continued failure of the consumer to provide the Association with reasonable access to its meter, equipment, or property; or
- (4) consumer breach of a special contract between the Association and consumer for utility service; or
- (5) necessity of the Association to comply with an order or regulation of any governmental agency with proper jurisdiction; or
- (6) where there is any installation which, in the opinion of the Association, is injurious to the operation of the Association's system or its service to other consumers; or

- (7) continued use of temporary service for longer than 12 months, unless the Association has approved the extension or an application for temporary service has been made (see tariff Section 4.2), or
- (8) failure of the consumer to pay for all locations.

The Association will restore service within three working days of correction of the conditions which resulted in the disconnection. Correction includes execution of a deferred payment agreement. The fee for reconnection during working hours and outside of working hours is set forth in the applicable Schedule of Fees.

D. Exceptions

The Association will not disconnect service based on any of the following reasons:

- (1) delinquency in payment for services rendered to a prior consumer at the premises where service is being provided, except in the instance where the prior consumer continues to reside on the premises; or
- (2) consumer disputes the amount due on the delinquent account, complies with the Association's tariffed rules on consumer bill disputes, and the dispute remains under investigation. However, a consumer will be held responsible for any undisputed amounts, and the Association may proceed to disconnect service in accordance with tariff provisions for failure to pay any undisputed amounts; or
- (3) the consumer is unable to pay the full delinquent amount due, qualifies under the requirements for deferred payment agreements (Section 10.2) and is in compliance with a signed, or is in the process of timely negotiating, a deferred payment agreement.

10.10 Notice Requirements for Disconnection of Service

A. First Notice

The Association will mail a written notice of disconnection 15 days preceding disconnection of services, except when a consumer has failed to comply with a deferred payment agreement, or qualifies for immediate disconnection under Section 10.9 of this tariff. The first notice of disconnection shall be deemed to have been given to any consumer if that consumer's monthly bill shows a balance that is delinquent or past due. Any consumer with a monthly bill indicating a delinquent or past due balance shall be subject to disconnection 15 days after the date of such monthly bill.

When the Association has prior knowledge that a residence is occupied by a person seriously ill, elderly, handicapped, or dependent on life support systems, the Association will provide the first notice at least 30 days before the scheduled date of disconnection. If notified of above existing conditions after notice is delivered, the Association will automatically extend the previously served 15 day notice to a 30 day notice and notify the consumer.

B. Second Notice

At least three working days prior to disconnection date as indicated in 1 above, the Association will attempt to contact the consumer either by email or telephone. Consumers who have failed to comply with a deferred payment agreement will also receive this three-day notice. If the notice is given by email or telephone, the Association will make reasonable attempts to contact the consumer. A termination notice will be simultaneously forwarded to any third party designated by the consumer on the service application and to third parties who have executed written agreements guaranteeing the electric billings of the consumer. Records will be kept of each attempt. If notice is given by visits to the consumer's premises, a shut-off notice will be hand-delivered to the consumer or left in a prominent place if no contact is made.

If contact cannot be made, a first-class, postage prepaid letter may serve as an alternative to a hand-delivered notice. This notice must be mailed no less than five working days prior to disconnection. The "shut-off" notice or completed email or telephone call will provide the consumer with all information required by the applicable regulations.

Within 10 days of the date specified on the shut-off notice, the Association may, without further notice, disconnect service to a consumer between the daily business hours of 8 a.m. on Monday to 5 p.m. on Thursday. Service will not be disconnected on a Friday or a day preceding a day the business office will be closed.

C. Landlord/Tenant Notice

If the Association knows that a landlord/tenant relationship exists where a disconnection is about to occur, the Association will take the following additional steps.

- (1) If the premises are individually metered and the landlord is the consumer, at least three days before the scheduled date of disconnect of the landlord the Association will notify the tenant in writing of the option of subscribing for service in the tenant's own name.

The Association will not attempt to recover from the tenant or condition service to the tenant on the payment of any outstanding bills or other charges due from the outstanding account of the landlord. However, if the tenant has a previously outstanding balance at the same service address, the Association will condition service to that tenant on terms acceptable to the Association for repayment of the outstanding balance plus a deposit in compliance with the Association's tariff.

If the tenant declines to subscribe for individual service or to arrange for payment of the tenant's previously outstanding balance, the Association will disconnect service without further notice.

- (2) If the premises are master metered and the landlord is the consumer, at least three working days before the scheduled date of disconnect of the landlord the Association will give each tenant served through the master meter notice of the pending disconnection.
- (3) If the tenant is the consumer, at least three working days before the scheduled date of disconnect of the tenant the Association will notify the landlord in writing of the option of subscribing for the service provided at the tenant's premises. The Association will not attempt to recover from the landlord or condition service to the landlord on the payment of any outstanding bills or other charges due from the outstanding account of the tenant. However, if the landlord has a previously outstanding balance at the same service address, the Association may condition service to that landlord on terms acceptable to the Association for repayment of the outstanding balance, plus a deposit in compliance with the Association's tariff. If the landlord declines to subscribe for service or to arrange for payment of the landlord's previously outstanding balance, the Association may disconnect service without further notice.

(4) Failure to Comply with Deferred Payment Agreement

At least three working days prior to disconnection, the Association will make reasonable attempts to contact the consumer by email or telephone or by visit of an authorized Association representative to the premises about to be disconnected. If contacted by email or telephone, the Association will keep records of all attempted and completed telephone contacts showing at least the time, the person making the attempt, and the outcome.

10.11 Equipment Removal

The Association may remove any or all of its property installed on a consumer's premises upon disconnection of service.

10.12 Between Renters

The Association may sign an agreement with owners or operators of rental properties for the automatic continuance of service in the owner's name during periods of vacancy between renters. During such period of vacancy, the owners will be billed as specified in the applicable rate schedule. However, the Association reserves the right to discontinue electric service to the owner or tenant when the owner or tenant, respectively, is delinquent in the payment of the bill for electric service.

10.13 Combined Billing

The rates set forth in the individual rate schedules are based upon the supply of service to one consumer through one meter on the premises, and energy and/or demand measure through two or more meters on the same premises will not be combined for billing purposes, except in the following instances:

- A. when two or more service connections are necessary to provide service at the least expense to the Association, or
- B. when two or more service connections are necessary to provide proper and reliable service without undue interruption.

Upon request of an applicant, the Association will install more than one meter, but in such instances, the bill for service through each meter will be computed separately and billed in accordance with the applicable rate schedule.

10.14 Adjustment of Errors

In case any meter shall, for any reason, cease for any period of time to register the correct amount of energy supplied or the maximum demand of any consumer, the amount of the bill of such consumer shall be adjusted in accordance with Section 5.7.

10.15 Disputes – Billing

Any consumer who disputes the correctness of a bill shall notify the Association and state reasoning in support of his position. Such notice shall not be sufficient reason to withhold payment of the undisputed portion of the bill. If a bill is found to be incorrect, the Association will credit the amount of overpayment to the next bill rendered. Any amount due the consumer in excess of the next month's bill will be credited to future bills or will be refunded at the consumer's request.

In the event of disputes between the consumer and the Association concerning any bill or service, the Association will forthwith make such investigations as shall be required by the particular case and report the results thereof to the consumer.

In the event the complaint is not reconciled by the staff or management, the procedures set out in Section 6.22 will be complied with.

10.16 Tax Adjustment

The amount of any and all revenue, kilowatt-hour, or other form of tax imposed by any governmental authority upon the Association or upon its property, revenue, or income may be apportioned by the Board of Directors of the Association to the territory in which such tax or taxes may be effective and among the various classes of service furnished therein. Such amounts shall constitute an additional charge to the power billings under any rate schedule or special contracts.

10.17 Transfer of Account Balances

The Association reserves the right to transfer balances owed by the consumer for services received in that or another account to the currently active account and enforce the disconnection policy as stated in 10.10. Such a transfer may be made between individuals, partnerships, and corporations in which the Association holds a personal guarantee of the individual or partnership. Capital credits may be used for account balances if allowed by Association policy.

10.18 Treatment of Fractional Service Month

All normal billing periods shall be assumed to have 30 days, but consumption covering 25-to-35 days inclusive will be billed as a normal billing period.

For fractional monthly billing period service under schedules, bills are rendered on the basis of kilowatt-hours consumed plus the facilities charge if the service was connected before the middle of the billing period. If the number of days of service is less than 15 days, the billing will be based upon kilowatt-hour use only.

10.19 Field Collection Fee

If payment is made to an Association representative at the consumer's service location to avoid disconnection for nonpayment, the consumer will be assessed a field collection fee as provided for in the Schedule of Fees.

11 Resale of Electricity (Grandfathered)

11.1 Sale of Electricity for Resale

- A. A retail consumer shall not sell or otherwise provide electric service furnished by the Association. No service will be supplied through a master meter for sub-metering for resale.
- B. Existing services where master meters were installed prior to January 1, 1987, and the operator-owner does not desire to convert to individual metering and individual account billing by the Association may continue to receive service as currently provided. All new services will comply with Sections 9.5 and 9.7 as of the date adopted. The Association will not be obligated to provide direct service to any mobile home when a central delivery and a secondary system are provided.
- C. This rule does not prohibit a consumer from furnishing unmetered electric service to rental units not required to be individually metered where the cost of electricity is included in the rental charge.

12 Liability

12.1 For Interruption of Service

The Association will make reasonable efforts to provide adequate and continuous electric service but does not and cannot guarantee adequate and continuous service. The Association shall have the right to temporarily suspend service for the purpose of making repairs or improvements to its facilities. In such cases, when practicable, advance public notice shall be given, and every effort will be made to make such interruptions as short as possible and at such times as will cause the least inconvenience to the customer.

12.2 Interruption of Service by Power Supplier

The Association puts all customers on notice that it purchases a substantial portion of its power. Contracts in effect provide that service may be suspended or curtailed because of causes or events beyond the control of the Association. If any of these events occur, the Association may be forced to suspend or curtail service.

12.3 For Consumer's Equipment

Neither by inspection nor non-rejection, nor in any other way, does the Association give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, conduit, appliances, or devices owned, installed, or maintained by the consumer or leased by the consumer from third parties.

12.4 Non-Liability for Consequential Damages

The Association does not guarantee adequate and continuous electric service. This tariff does not create liability for injury, loss, or damage of any type or nature, including (without limitation) consequential damages, resulting from any failure or curtailment of electric service nor shall such failure or curtailment constitute a breach of contract.

12.5 Uncontrollable Force

The Association puts all customers on notice that it purchases its power by contract, and part of that contract provides that service may be suspended or curtailed because of uncontrollable forces. Uncontrollable forces include, but are not limited to, any cause beyond the control of the Association and which by the exercise of due diligence that the Association is unable to prevent or overcome, including but not limited to an act of God, fire, flood, volcano, earthquake, explosion, sabotage, and act of public enemy, civil or military authority, including court orders, injunctions and orders of governmental agencies of competent jurisdiction, insurrection or riot, an act of the elements, failure of equipment, or the inability to obtain or ship equipment or materials because of the effect of similar causes on carriers or shippers. Strikes, lockouts, and other labor disturbances may be considered uncontrollable forces. If any of these events occur, service may be suspended or curtailed.

13 Special Service

13.1 Charges

For services of this nature, the customer may be charged for the Association's actual cost, including labor, transportation, materials, indirect costs, and overhead.

All work done by the Association for customers, in addition to work during regular working hours associated with supplying electric service, may be charged for on the basis of costs and conditions as defined herein.

For certain special services, the Association has established fixed charges in the Schedule of Fees based upon representative average costs of such services.

13.2 Nature of Services

This section may include such special services as listed below.

- A. Making temporary changes to accommodate the customer's wishes.
- B. Account research as requested by the customer (example: for income tax purposes).
- C. Installation of temporary service.
- D. Relocation or removal of Association-owned or jointly-owned poles, wire, or other facilities.
- E. Making emergency repairs to customer's electrical equipment or repairing Association equipment damaged by customer or his contractor or agent.

13.3 Service Upgrade

At the request of the customer the Association will upgrade the customer's existing primary and/or secondary service to the point of delivery if the upgrade is required by the customer's additional load. Service upgrade may include, but is not limited to, the upgrading of poles, anchors, replacement of conductor, transformers, labor, and trenching. The cost of the service upgrade may be charged in whole or in part to the customer requesting the upgrade.

14 Non-Firm Power Purchase for Qualifying Facilities 100 kW or Less

14.1 Availability

- A. Available to all territory served by the Association.
- B. Applicable to qualifying facilities (QFs) as defined in the Public Utility Regulatory Policies Act (PURPA) (16 U.S.C. § 824a-3) having a design capacity of 100 kW or less.
- C. The type of service shall be single- or three-phase, 60 hertz, at the Association's standard voltage.
- D. The Association reserves the right to limit the number of consumers per substation circuit receiving service under the terms of this schedule if operational conditions require such limitation to maintain system reliability.
- E. The Association will not allow any consumer to connect to a feeder that the Association determines is a critical feeder. Without limiting the foregoing, the following feeders are critical feeders:
 - (1) Valdez: Feeders 413, 414, (Solomon Gulch Hydro Plant to Meals Substation); and
 - (2) Glennallen: Feeder 423 (Glennallen Diesel Plant to Substation 11).

14.2 Conditions

- A. No QF shall be connected to the Association's system, or operated in parallel with the Association's system, without prior written approval of the Association.
- B. The QF shall submit a completed application for interconnection in the form required by the Association. The Association will evaluate the application and proposed interconnection to determine whether they comply with the Association's tariff and other applicable requirements.
- C. Prior to interconnection, the QF shall enter into a written contract with the Association governing the terms and conditions of interconnection and Association purchases of energy from the QF.
- D. Service under this schedule is subject to all rules in this tariff and all Association technical, safety, interconnection, and other standards and requirements. Without limiting the generality of A, service under this schedule, including initial and continued interconnection, is subject to the following conditions:

- (1) QF compliance with the Association's Requirements for the Interconnection of Consumer-Owned Alternative Power Installations, as may be revised from time to time (Interconnection Requirements); and
 - (2) QF compliance with all applicable federal, state, and local safety codes and requirements.
- E. The QF shall at its own cost provide and install an external, visible break, lockable disconnect device. This device must be capable of switching under full load conditions and must be clearly labeled and accessible to Association personnel.
- F. The QF shall at its own cost provide for over-current protection of adequate interrupting capacity and design, in conformance with the Association's over-current practices for similar feeders and loads, for the feeder serving as the interconnection to the Association system. Automatic reclosing by the QF is prohibited unless the facility has received prior written approval from the Association.
- G. The Association may disconnect a QF from the Association's system for any of the following reasons:
- (1) failure of the QF to comply with any provision of the tariff, the interconnection requirements, or the contract between the Association and QF;
 - (2) failure of the QF to properly operate or maintain the QF's equipment and related equipment, or if the QF's generation system otherwise becomes unsafe; or
 - (3) the Association determines that disconnection is necessary to ensure the safety of personnel, the general public, or any Association facilities, or to prevent the disruption or degradation of electric service to other Association customers.
- H. The QF shall maintain general liability insurance covering the QF's generation system and related equipment. Liability insurance coverage must be in an amount determined by the Association to be appropriate for the type, size, location, and risk of the facility. Prior to interconnection of the consumer generation system, the consumer shall provide to the Association proof of such insurance in a form specified by the Association. The QF shall immediately notify the Association if the liability insurance policy is renewed, changed, or cancelled, and provide evidence of such renewal, change, or cancellation. In addition, between January 1 and January 31 of each year, the QF shall provide to the Association updated proof of the required insurance coverage in a form specified by the Association.

If the QF fails to maintain the required insurance coverage or fails to provide the required proof of insurance coverage, the Association may disconnect the QF's generation system. Compliance with the insurance requirements in this paragraph shall not relieve or release the QF or QF's agents, contractors, or invitees from any liability to the Association or others for any damages or injuries resulting from or relating to QF's generation system.

- I. By accepting service under this schedule, the QF agrees to indemnify, defend, and hold harmless the Association from and against any and all liabilities, claims, losses, lawsuits, judgments, and expenses, including attorney fees, arising directly or indirectly from the QF's generation system or its associated equipment.

14.3 Interconnection Charges

- A. The Association may assess a QF reasonable interconnection charges, including costs of connection, switching, metering, transmission, distribution, safety provisions, administration, integration, and other costs directly incurred as a result of the interconnection, to the extent that these costs are in excess of the corresponding costs that the Association would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of power from other sources. These charges will be appropriate to the type, size, and location of the facility installed.
- B. Payment of Interconnection Charges

- (1) Installation Charge

The QF must pay as an advance-for-construction one-half the total estimated cost of interconnection prior to commencement of construction. This cost shall be adjusted to actual cost after job completion. Upon completion of construction the QF shall pay all remaining costs in full.

- (2) Maintenance Charge

The QF may be required to pay the Association monthly maintenance charges as may be incurred by the Association as a result of the interconnection, to the extent that these costs are in excess of the corresponding costs which the Association would have incurred if it had not engaged in interconnection operations.

14.4 Association Purchases of QF Energy

The Association may decline to purchase energy from a QF if:

- A. the purchases result in costs greater than those that the Association would have incurred if it had not made such purchases, but instead generated an equivalent amount of energy; or
- B. during a system emergency, purchases from a QF would further contribute to the emergency.

14.5 Association Sales to a QF

Association sales of electric utility service to a QF shall be subject to the rates, terms, and conditions of the applicable rate schedule and the tariff.

15 Association Standards

15.1 Engineering Standards

The Association constructs, maintains, and operates its plant in accordance with accepted engineering practices to reasonably assure service reliability, service quality, and the safety of persons and property.

The Association designs, constructs, and maintains generation, transmission, and distribution facilities in conformance with the state of Alaska minimum electrical safety standards as adopted under AS 18.60.580.

15.2 Maintenance and Testing Standards

- A. The Association pursues a maintenance program of periodic tests, inspections, and field maintenance to achieve efficient operation of its system so as to permit safe, adequate, and reliable service at all times. The provisions of 3 AAC 32.410 through 3 AAC 32.610 are accepted as standards, specifications, and requirements for electric meters, accessories, and associated devices used to measure electrical energy. The Association maintains records indicating compliance with its rules.
- B. The Association maintains or has access to the necessary facilities, instruments, and equipment for testing its metering and recording equipment and maintains prudent utility practices for periodic testing and maintenance, with due regard to equipment manufacturers' recommendations and applicable safety codes to ensure the integrity of its operation.

15.3 Safety Standards - Electric Plant

The Association exercises reasonable care to promote safe working conditions and reduce hazards to its employees, its consumers, and the general public.

The Association uses the applicable provisions of the state of Alaska minimum electric safety standards adopted under AS 18.60.580 as a basis for determining safe practices.

The Association maintains a record of all accidents involving the Association or Association plant and resulting injuries to the public.

15.4 Outages

The Association maintains planning and preventive maintenance procedures to provide a reasonable level of uninterrupted service and, where interruptions occur, to speed the restoration of service.

A. Planned Outages

The Association maintains a plan for notifying consumers of scheduled outages.

When planned outages occur, the Association will make a good faith effort to do the work at a time which will cause minimal inconvenience to consumers and to notify consumers in advance of the interruption, in conformity with the Association's outage plan as described in this section.

B. Outage Contingency Plan

The Association has and maintains an outage contingency plan. This plan includes a public information plan.

C. Outage Record-Keeping and Reporting

The Association maintains detailed records of planned and unplanned outages and of interruptions of service to exclude momentary fluctuations. These records include the cause, whether planned or unplanned; duration; location of outage; and the approximate number of consumers affected. These records are available to the public.

16 Rules for Responding to Inquiries from Qualifying Facilities Greater Than 100 kW

16.1 Application, Purpose, and Waiver

- A. These rules govern the Association's implementation of the cogeneration and small power production regulations prescribed by the Federal Energy Regulatory Commission (FERC), 18 C.F.R. Part 292, as amended, under Section 210 of the Public Utility Regulatory Policies Act of 1978, as amended, 16 U.S.C. § 824a-3, (PURPA), as such rules apply to qualified cogeneration and small power production facilities (QFs) with a design capacity of more than 100 kilowatts.
- B. The purpose of these rules is to set forth guidelines for the implementation of FERC's cogeneration and small power production regulations on a case-by-case basis.
- C. Any requirement in these rules may be waived, in whole or in part, or be modified upon application and a showing of good cause, provided that such waiver is not otherwise prohibited by applicable law.

16.2 Availability of System Cost Data

- A. Except as provided for in B, no later than 60 days after the effective date of this tariff, the Association shall compile and maintain for public inspection upon request, the following data, or data comparable thereto, to enable QFs to estimate the Association's avoided costs:
 - (1) the Association's estimated avoided energy costs for various levels of purchases from QFs, expressed in cents per kilowatt hour, for the current calendar year and each the next five years;
 - (2) the Association's plan for the addition of capacity by amount and type, for purchases of firm energy and capacity, and for capacity retirements, for each of the next 10 years; and
 - (3) the estimated capacity costs at completion of the planned capacity additions and planned firm capacity purchases, on the basis of dollars per kilowatt, and the associated energy costs of each unit, expressed in cents per kilowatt hour.
- B. After public notice in the Association's service area, and after opportunity for public comment, the Association may provide data different from those which are otherwise required by this Section 16.2 if the Association determines that avoided costs can be estimated from such data.

- C. Except as otherwise required by applicable law, the Association shall not be required to disclose information that would compromise the integrity or confidentiality of the Association's competitive power supply procurement process or that might otherwise result in the disclosure of competitively sensitive information. The Association may, at its sole discretion, require a QF to enter into a confidentiality agreement prior to gaining access to competitively sensitive information.

16.3 Procedures for Responding to Inquiries from QFs

- A. Upon receiving a written request by a QF to sell power to the Association, the Association shall provide to the requesting QF a copy of the Association's standard form contract for interconnection, power purchases, and power sales with a QF. The standard form contract shall not constitute an offer by the Association to interconnect, purchase power, or sell power. Instead, the standard form contract is intended solely to inform the QF regarding some of the general terms and conditions that would typically apply to such transactions with a QF. The standard form contract shall contain a number terms which will require negotiation between the Association and the QF with respect to the specific circumstances of the QF project being proposed.
- B. After reviewing the standard form contract, the QF shall notify the Association in writing if it desires to further pursue selling power to the Association.
- C. If the QF desires to further pursue selling power to the Association, the Association shall notify the QF regarding what information the QF must provide to enable the Association to (1) accurately calculate its avoided cost and (2) determine what contract terms and conditions are appropriate given the specific circumstances of the proposed QF project (facility).
- D. The information to be provided by the QF under C shall be determined by the Association; such information may include, but shall not be limited to, the following:
 - (1) detailed description of the facility;
 - (2) detailed explanation demonstrating that the facility qualifies as a qualifying facility, as that term is defined in 18 C.F.R. Part 292;
 - (3) precise location of the facility;
 - (4) nameplate electric generating capacity, net electric energy output, and plant factor of the facility;
 - (5) minimum and maximum availability of firm capacity and/or energy from the facility during the Association's daily and seasonal peak periods;

- (6) projected date on which deliveries of capacity and/or energy would commence;
 - (7) plans for facility construction; facility financing; and the acquisition of all necessary property rights, permits, authorizations, and fuel contracts; and
 - (8) any other information the Association deems appropriate under C.
- E. In addition to the requirement in C, the QF shall advance to the Association a cash deposit in the amount of all estimated costs to the Association of performing computer modeling to calculate the Association's avoided costs associated with the specific characteristics of the facility, plus a contingency. After all final calculations of the Association's avoided costs are complete, if the actual costs incurred by the Association to perform such modeling are less than the amount advanced by the QF, the Association shall refund the difference to the QF within 30 days. If the actual costs incurred by the Association exceed the amount advanced by the QF, the QF shall pay the Association the difference within 30 days.
- F. After the QF has satisfied all requirements provided for in C through E, the Association shall initiate the collection and analysis of whatever data are necessary for the Association to fulfill its obligations under FERC's cogeneration and small power production regulations. Within a reasonable period of time after the QF has satisfied all the requirements provided for in C through E, the Association Staff shall take one of the following actions:
- (1) initiate negotiations with the QF for a contract specifying the charges, rates, terms, and conditions of interconnection, purchases, and sales between the Association and the QF, in compliance with FERC's cogeneration and small power production regulations; or
 - (2) notify the Association's Board of Directors and any affected QF that, due to special circumstances, the Association is not obligated under FERC's cogeneration and small power production regulations to purchase power from the QF, and provide sufficient supporting explanation to the Board of Directors in support of its conclusion.
- G. If the Association Staff initiates negotiations with the QF pursuant to 6.a and the Association and the QF are able to successfully negotiate a contract for interconnection, purchases, and sales within a reasonable period of time, the Association Staff shall file the contract with the Board of Directors for its consideration under the procedures prescribed in Section 16.4.

- H. If the Association Staff and the QF are not able to successfully negotiate such a contract within a reasonable period of time, or if the Association Staff notifies the Board of Directors that, due to special circumstances, the Association is not obligated under FERC's cogeneration and small power production regulations to purchase power from the QF, the QF may file a written complaint with the chief executive officer of the Association for consideration by the Board of Directors under the procedures prescribed in Section 16.5.
- I. After public notice in the Association's service area, the Association may at any time apply to FERC for a waiver from its obligations under FERC's cogeneration and small power production regulations. In such event, the procedures provided for in this Section 16 may be suspended pending final disposition of the Association's application, including any administrative or judicial appeals.

16.4 Consideration of Contracts between the Association and a QF

- A. Consideration by the Board of Directors of a contract for interconnection, purchases, and sales between the Association and a QF shall be undertaken only after notice and opportunity for written comment and public hearing.
- B. After the filing of such a contract with the Board of Directors, the Association shall provide reasonable notice to the public regarding consideration of the contract in the following manner. Not less than 45 days prior to date of the public hearing, the Association shall publish notice of the hearing in the Association's newsletter, with the Association's billing statement, and/or in a newspaper of general circulation in the Association's service area and post notice of the hearing at the Association's main offices in a place that is readily accessible to the public. The notice shall state: (1) the date, time, and place of the public hearing; (2) a general description of the contract to be considered; (3) that any member of the public may submit written comments concerning the contract no later than 25 days prior to the date of the public hearing; and (4) how a copy of the contract may be obtained.
- C. The public hearing shall be held on the record. The Board of Directors may suspend the hearing in order to obtain any additional information it finds necessary to render a decision regarding the contract. The Board of Directors shall render a final decision regarding the contract by resolution on the record.
- D. In rendering its final decision, the Board of Directors shall determine (1) whether the contract is consistent with FERC's cogeneration and small power production regulations, and (2) if the contract is consistent with FERC's cogeneration and small power production regulations, whether the contract should be approved as proposed.

16.5 Consideration of Complaints

- A. Consideration of a complaint filed by a QF pursuant to Section 16.3 shall be undertaken only after notice and opportunity for written comment and public hearing.
- B. Upon receiving a written complaint by a QF under Section 16.3, the chief executive officer shall forward such complaint to the Board of Directors. The Association Staff shall have 30 days to file a written answer to the complaint and a recommendation to the Board of Directors.
- C. After receipt of the Association Staff's answer and recommendation by the Board of Directors, the Association shall provide reasonable notice to the public regarding consideration of the QF's complaint in the following manner. Not less than 45 days prior to date of the public hearing, the Association shall publish notice of the hearing in the Association's newsletter, with the Association's billing statement, and/or in a newspaper of general circulation in the Association's service area and post notice of the hearing at the Associations main offices in a place that is readily accessible to the public. The notice shall state: (1) the date, time, and place of the public hearing; (2) a general description of the matter to be considered; (3) that any member of the public may submit written comments concerning the matter no later than 25 days prior to the date of the public hearing; and (4) how a copy of the QF's complaint and the Association Staff's answer may be obtained.
- D. The public hearing shall be held on the record. At its sole discretion, the Board of Directors may opt to appoint or hire a hearing officer to conduct the public hearing. The public hearing shall afford reasonable opportunity for the QF, the Association, and the public to present testimony. The Board of Directors may suspend the public hearing in order to obtain any additional information it finds necessary to render a decision regarding the complaint. The Board of Directors shall render a final decision regarding the complaint by resolution on the record.
- E. In rendering its final decision, the Board of Directors shall determine whether the Association Staff's position and recommendation are consistent with FERC's cogeneration and small power production regulations. If the Board of Directors finds that the Association Staff's position and recommendation are not consistent with FERC's cogeneration and small power production regulations, the Board of Directors shall take whatever action it deems appropriate to effect the Association's compliance with FERC's cogeneration and small power production regulations.

17 Net Metering

17.1 General Description

Subject to the provisions of this Section 17, the Net Metering Program allows a consumer to generate electricity with renewable energy sources that are eligible consumer generation systems (as defined in this Section 17) to displace energy that the consumer would otherwise purchase from the Association, and sell excess energy, if any, to the Association.

17.2 Availability

- A. Subject to the provisions of this Section 17, participation in the net metering program is available to eligible consumer generation systems. Participation is available on a first-come, first-served, basis.
- B. Service under this program is available to new participants unless the addition of the new participant would cause the total nameplate generating capacity of all eligible consumer generation systems participating in the net metering program to exceed 1.5 percent of the Association's average retail demand. If the Association has a decrease in average retail demand that results in the total nameplate capacity of all eligible consumer generation systems exceeding 1.5 percent of average retail demand, the Association shall allow existing eligible consumer generation systems to continue participating in the net metering program.
- C. Despite any provision to the contrary in this Section 17, the Association may prohibit or limit new or continued participation in the net metering program, and may prohibit new or continued interconnection between a consumer generation system and the Association's system, in any portion of the Association's distribution system if such prohibition or limitation is necessary to address system stability constraints or other operational issues.

17.3 Eligible Consumer Generation Systems

To be an eligible consumer generation system for purposes of initiating or continuing participation in the net metering program, a consumer generation system must meet the following criteria:

- A. be a facility that produces electric energy derived from one or more of the following sources:
 - (1) solar photovoltaic and solar thermal energy;
 - (2) wind energy;

- (3) biomass energy, including landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste;
 - (4) hydroelectric energy;
 - (5) geothermal energy;
 - (6) hydrokinetic energy;
 - (7) ocean thermal energy; and
 - (8) other sources as approved by the Association that generally have similar environmental impact.
- B. be operated, and either owned or leased, by a consumer that purchases retail electric utility service from the Association, and
- (1) have a total nameplate capacity of no more than 25 kilowatts per consumer premises;
 - (2) be located on the consumer's premises;
 - (3) be used primarily to offset part or all of the consumer requirements for electric energy; and
 - (4) include an inverter that is adequate to ensure that generated power is compatible with the Association's system and satisfies the requirements of the Association;
- C. include an electric generator and its accompanying equipment package;
- D. be physically interconnected to the consumer's side of the meter from which the Association provides electric service to the consumer; and
- E. satisfy all of the requirements of this Section 17 and the Association's requirements for the interconnection of consumer-owned alternative power installations, as may be revised from time to time (interconnection requirements).

17.4 Interconnection of Eligible Consumer Generation Systems

- A. No consumer generation system shall be connected to the Association's system, or operated in parallel with the Association's system, without prior written approval of the Association in accordance with the provisions of this Section 17 and the Association's Interconnection Requirements.

- B. The consumer shall submit a completed application for interconnection of the consumer generation system in the form required by the Association. The Association will evaluate the application and proposed interconnection to determine whether they comply with the Association's tariff, interconnection requirements, and other applicable requirements.
- C. The installation and operation of a consumer generation system must comply with the Association's Interconnection Requirements and all applicable federal, state, and local safety codes and requirements. Without limiting the generality of the foregoing, a consumer generation system must, at a minimum, comply with the following:
 - (1) Institute of Electrical and Electronics Engineers (IEEE) 1547 series of interconnection standards; and
 - (2) Underwriters' Laboratories (UL) standard 1741 for inverters, converters, controllers, and interconnection system equipment.
- D. The consumer shall, at consumer's own cost, provide and install an external, visible break, lockable disconnect switch between the consumer generation system and the main service entrance equipment in a location designated by the Association and all necessary wiring between the disconnect switch and the consumer generation system. The disconnect switch shall be rated according to minimum National Electric Code (NEC) requirements and meet all other requirements set forth in the Association's Interconnection Requirements.
- E. The Association may, in its discretion, waive the requirement of an external, visible break, lockable disconnect switch if the consumer (1) agrees to allow the Association to disconnect both the consumer's non-utility generation and the consumer's load from the Association's system when disconnection of the consumer generation system is necessary; and (2) agrees that the Association shall not be liable for any damages or costs incurred as a result of such disconnection. The disconnection described in this paragraph may be accomplished in any manner determined by the Association, including but not limited to by removal of the service meter at the consumer's premises.
- F. The Association may disconnect a consumer generation system from the Association's system by means of an external disconnect switch or any other means determined by the Association for any of the following reasons:
 - (1) failure of the consumer to comply with any provision of this Section 17 or the interconnection requirements;
 - (2) failure of the consumer to properly operate or maintain the consumer generation system and related equipment, or if the consumer generation system otherwise becomes unsafe; or

(3) the Association determines that disconnection is necessary to ensure the safety of personnel, the general public, or any Association facilities, or to prevent the disruption or degradation of electric service to other Association customers.

- G. The consumer shall maintain general liability insurance covering the consumer generation system and related equipment. Liability insurance coverage must be in an amount of no less than \$300,000. Prior to interconnection of the consumer generation system, the consumer shall provide to the Association proof of such insurance in a form specified by the Association. The consumer shall immediately notify the Association if the liability insurance policy is renewed, changed, or cancelled, and provide evidence of such renewal, change, or cancellation. In addition, between January 1 and January 31 of each year, the consumer shall provide to the Association updated proof of the required insurance coverage in a form specified by the Association. If the consumer fails to maintain the required insurance coverage or fails to provide the required proof of insurance coverage, the Association may disconnect the consumer generation system.

Compliance with the insurance requirements in this paragraph shall not relieve or release the consumer or consumer's agents, contractors, or invitees from any liability to the Association or others for any damages or injuries resulting from or relating to consumer's generation system.

- H. By participating in the net metering program, the consumer agrees to indemnify, defend, and hold harmless the Association from and against any and all liabilities, claims, losses, lawsuits, judgments, and expenses, including attorney fees, arising directly or indirectly from the consumer generation system or its associated equipment.
- I. The Association may install additional metering equipment related to a consumer's participation in the net metering program. The Association
- (1) is responsible for all costs related to the purchase, installation, and maintenance of the additional metering equipment; and
- (2) may not assess a recurring charge for the additional metering equipment.

17.5 Billing

- A. For each consumer participating in the net metering program, the Association shall measure the net electric energy during each monthly billing period, and
- (1) if the Association supplied more electric energy to the consumer than the consumer supplied to the Association during the monthly billing period, the Association shall bill the consumer for the number of kilowatt hours of net electric energy supplied by the Association to the consumer at the applicable rates contained in the Association's currently effective tariff; or

- (2) if the consumer supplied more electric energy to the Association than the Association supplied to the consumer during the monthly billing period, the Association shall credit the consumer's account with an amount derived by multiplying the kilowatt hours of net electric energy supplied by the consumer to the Association by the Non-Firm Power Purchase Rate as listed in Schedule CV1 with the following constraints:
 - (a) applications received prior to January 1, 2017, will receive the non-firm purchased power rate, and
 - (b) approved applications after January 1, 2017, will not receive the non-firm purchased power rate May through October when the Association has historically produced a majority of the energy from hydro.
 - (c) The installation of approved generation systems for applications approved prior to January 1, 2017, must be completed within five years from the date of application approval.
- B. Dollar amounts credited to the account of a consumer for furnishing electric energy to the Association under Section 17.5.A.(2):
 - (1) shall be used to reduce dollar amounts owed by the consumer in subsequent monthly billing periods; and
 - (2) do not expire or otherwise revert to the Association.
- C. Except as otherwise provided in Section 17.5.A and B regarding per-kilowatt hour charges, the Association may bill a consumer for all applicable charges authorized by its approved tariff.
- D. The Association will not charge a consumer participating in the net metering program any additional fee for standby, capacity, interconnection, or other net metering expense unless approved by the Board of Directors.

18 Copper Basin and Valdez Districts Rate Schedules

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CV1	Copper Basin and Valdez – Non-Firm Purchased Power
CV2	Copper Basin and Valdez – Standby Service
CV3	Copper Basin and Valdez – Yard and Security Lights
CV4	Copper Basin and Valdez – Contract Service for Qualifying Facilities
CV5	Copper Basin and Valdez – Fuel Charge
CV6	Copper Basin and Valdez – Generation & Transmission Charge
CV7	Copper Basin and Valdez – Heat Revenue Credit
CV8	Copper Basin and Valdez – Generally Applicable Recurring Charges



Schedule CV1

Copper Basin and Valdez Districts Non-Firm Power Purchase Rate for Qualifying Facilities 100 kW or Less and Net Metering Customers

A. Applicability

- (1) Applicable to non-firm energy provided to the Association under:
- (2) Section 14, by a qualifying facility (QF) as defined in the Public Utility Regulatory Policies Act (PURPA) (16 U.S.C. § 824a-3) having a design capacity of 100 kW or less; and
- (3) Section 17, by a consumer participating in the Association's net metering program.

B. Rate for Association Purchases of Non-Firm Energy

- (1) The rate per kWh paid for non-firm energy provided to the Association (Non-Firm Power Purchase Rate) shall be the Association's estimated average avoided net cost of fuel, calculated on an annualized basis as the following example reflects:

(a) Cost of fuel	\$5,000,000
(b) Less: heat sales	\$1,900,000
(c) Net cost of fuel	\$3,100,000
(d) Divided by: kWh thermal generation	39,000,000
(e) Non-Firm Power Purchase Rate (\$/kWh)	\$ 0.07949

- (2) This rate shall be recalculated periodically, but at least once every 12 months.
- (3) The Association's monthly payments for non-firm energy purchases may be reduced by the amounts that are due to the Association by the QF or net metered consumer for interconnection charges, electric utility service sales, late fees, or finance charges.

C. Applicability

1. Applications received prior to January 1, 2017, will receive the non-firm purchased power rate, and
2. Approved applications after January 1, 2017, will not receive the non-firm purchased power rate May through October when the Association has historically produced a majority of the energy from hydro.



3. The installation of approved generation systems for applications approved prior to January 1, 2017, must be completed within five years from the date of application approval.

Schedule CV2

Copper Basin and Valdez Districts Standby Service

A. Applicability

Applicable to consumers where a part or all of the electrical requirements of the consumer can be supplied from a cogeneration or small power production source which meets the criteria for qualifying facility (QF) as defined under 18 CFR, Chapter 1, Part 292, Subpart B of the Federal Energy Regulatory Commission regulations. The standby charge is also applicable when the entire electrical requirements of the consumer are not regularly met by the Association and the generation serving the consumer is not a QF. This charge is not applicable to consumer standby generation for use during Association outages.

B. Characteristics of Service

Continuous alternating current 60 cycle 120/240, 120/208, 208, 240, or 480 volts single or three-phase. Characteristics depend upon available circuits.

C. Charge

Where standby service is required to be furnished by the Association, the charge shall be:

0-25 kW of standby demand @ \$12 per kW/month
Over 25 kW of standby demand @ \$20.00 per kW/month

Standby Demand: The level of standby demand shall be determined by the Association and shall be the total demand of the consumer's facility.

Billing: A standby consumer's monthly bill shall be based on metered demand and energy usage, including the customer charge, and be calculated using the demand charge and energy charge under the rate schedule otherwise applicable to the consumer. A standby consumer's minimum monthly bill shall be equal to the applicable standby charge multiplied by the level of standby demand plus the customer charge.

Schedule CV3

Copper Basin and Valdez Districts Yard and Security Lights

A. Availability

This service will not be offered after August 26, 1981. Any of these services constructed prior to August 26, 1981, will continue to be maintained and billed accordingly.

B. Type of Service

Single-phase, 60 hertz, at utility's standard voltages. Consumer's election or 100, 175, 250, or 400 watt facilities installed on existing facilities or on new facilities installed by the utility at rates specified herein.

C. Application

To existing non-metered yard and security lighting service.

D. Rates

	Installed on	
	Existing Company Facilities	New Facilities ⁽¹⁾
100 Watt	\$11	\$13
175 Watt	\$13	\$15
250 Watt	\$18	\$20
400 Watt	\$21	\$23

⁽¹⁾One new pole for the specific purpose of providing a point of contact for such lights shall constitute new facilities herein.

E. Minimum Charge

12 months' charges (contract).

Schedule CV4

Copper Basin and Valdez Districts Contract Service for Qualifying Facilities Greater Than 100 kW

A. Availability

Available to all qualifying facilities (QFs) as defined in the Public Utility Regulatory Policies Act (PURPA) (16 USC 824a-3) which are located within the Association's service territory or for which output is wheeled to the Association pursuant to applicable statutory requirements. This tariff only applies to QFs having a design capacity of more than 100 kilowatts.

B. Type of Service

The Association will purchase firm power from QFs under terms and conditions set forth in a power purchase agreement negotiated between the Association and the QF. A standard form power purchase agreement is filed with this tariff solely for purposes of informing potential QFs regarding some of the general terms and conditions that would typically apply under such an agreement.

C. Conditions of Service

A contract between the qualifying facility and the Association is required to qualify for the rates paid under this schedule for the purchase of firm and non-firm power. Service under this schedule is governed by tariff provisions contained in Section 16 - Rules for Responding to Inquiries from Qualifying Facilities Greater than 100 kW.

D. Rates

The avoided cost methodology and QF rate formulas below provide a method that can be used to determine rates for a variety of QFs to develop a contract rate that is responsive to changes in costs throughout the term of a QF contract.

(1) Avoided Firm Energy Price

The avoided firm energy price is based on the incremental cost of operating diesel generators used to supply the Association's power requirements when the Association cannot meet 100 percent of its requirements with non-displaceable purchases from the Solomon Gulch hydroelectric facility and from the Association's cogeneration facility located at the Petro Star refinery in Valdez. The actual quantity of energy to be purchased by the Association at the avoided firm energy price will be specified in the power purchase agreement negotiated between the Association and the QF.

The avoided firm energy price will be established in accordance with the following formula:

Avoided Firm Energy Price:

$$(\$/\text{kWh}) = [(Eff_D \times FP_D) + (VOM_D \times \text{Current CPI}/1999 \text{ CPI} \times 75\%*)] / (1 - SS_D)$$

Where:

Eff_D = Incremental fuel usage efficiency of the Association's primary diesel generators, expressed in gallons per kWh generated

FP_D = Average price paid by the Association for diesel fuel for the month in which energy was delivered, expressed in dollars per gallon

VOM_D = Incremental operation and maintenance costs (excluding fuel) associated with the Association's diesel generators, expressed in dollars per kWh

CPI = Anchorage Consumer Price Index

SS_D = Incremental percentage of the Association's gross diesel generation generally used for power plant station service

* The 75 percent factor shall be disregarded when calculating the rate for energy delivered in 1999

(2) Avoided Firm Capacity Price

The avoided firm capacity price will be established based on the estimated cost of new or replacement generating capacity that the Association would have otherwise incurred over the next 10-year period but for the installation of a QF facility and the subsequent purchases of power from the QF. Payment of avoided firm capacity prices will not begin until the first year in which the Association would have otherwise received output from the new or replacement generating capacity. The avoided firm capacity price will be calculated in accordance with the following formula:

Avoided Firm Capacity Price:

$$(\$/\text{kW per month}) = [(CC \times CRf) + (FOM \times \text{Current CPI} / 1999 \text{ CPI} \times 75\% *)] / 12$$

Where:

CC = Estimated future capital cost of a generating unit addition or replacement that will be avoided by the Association as a result of firm purchases from the QF, expressed in dollars per installed kilowatt of capacity at the time the addition or replacement would have been installed

CRf = Annual capital recovery factor associated with avoided capacity based on assumed debt financing and level annual debt service payments calculated at an annual interest rate of seven percent and a 20-year repayment period (0.094393)

FOM = Estimated fixed operation and maintenance cost that the Association would have incurred if it were to install the avoided generating unit, expressed in dollars per kilowatt per year

CPI = Anchorage Consumer Price Index

* The 75 percent factor shall be disregarded when calculating the rate for energy delivered in 1999

(3) Sample Calculation of Avoided Cost Prices

Below is a sample calculation of avoided cost prices based upon the assumptions listed below. The actual price calculations to be included in a power purchase agreement between the Association and a QF will vary from the results indicated based on the specific characteristics of the particular QF project.

Assumptions:

Plant Size: 5,500 kW

Annual Plant Factor (kWh supplied/max kWh output): 85%

Energy Supplied: 40,966,000 kWh

Year: 1999

Incremental Fuel Usage Efficiency (Eff_D): 0.07158 gal/kWh

Average Diesel Fuel Price (FP_D): \$0.62/gallon

Incremental O&M Costs (VOM_D): \$0.008/kWh

Current CPI / 1999 CPI: 1.0

Incremental Station Service % (SS_D): 3.0%

Annual Capital Recovery Factor (CRf): 0.094393/year

Est. Future Capital Cost of Avoided Plant (CC): \$0.00/kW

Est. Fixed O&M Costs (FOM): \$0.00/kW-year

(no avoidable additions or replacements are planned within the next 10 years)

Avoided Firm Energy Price:

$$\begin{aligned}
 (\$/\text{kWh}) &= [(\text{Eff}_D \times \text{FP}_D) + (\text{VOM}_D \times \text{Current CPI}/1999 \text{ CPI} \times 75\%*)] / (1 - \text{SS}_D) \\
 &= [(0.07158 \text{ gal/kWh} \times \$0.62/\text{gal}) + (\$0.008/\text{kWh} \times 1.0)] / (1 - 0.03) \\
 &= \$0.054/\text{kWh}
 \end{aligned}$$

Avoided Firm Capacity Price (per Month):

$$\begin{aligned}
 (\$/\text{kW per month}) &= [(\text{CC} \times \text{CRf}) + (\text{FOM} \times \text{Current CPI}/1999 \text{ CPI} \times 75\%*)] / 12 \\
 &= [(\$0.00/\text{kW} \times 0.094393/\text{year}) + (\$0.00/\text{kW-year} \times 1.0)] / 12 \\
 &= \$0.00/\text{kW-month}
 \end{aligned}$$

* Because the calculations above are assumed to be for 1999 deliveries, the 75 percent factor is disregarded.

Schedule CV5

Copper Basin and Valdez Districts Fuel Charge

A. Applicability

Available to all consumers eligible to be billed under rate schedules CB1, CB2, CB5, V1, V2, V3, and V4

B. Fuel Charge

Billings to consumers will reflect the amounts of the Association's total weighted average cost of fuel per kWh, as identified on Schedule CV8, Generally Applicable Recurring Charges.

C. Fuel Balance Account

The utility shall maintain a fuel balance account commencing with the May 31, 2012, balance from the cost of power balance account. The prescribed entries are as follows:

- (1) A debit entry equal to the actual recoverable costs of consumed fuel for each preceding month
- (2) A credit entry equal to the total number of kWhs of energy sold during that month multiplied by the weighted average cost of fuel per kWh

D. Fuel Balance Account Reporting

The Association shall prepare a report on the status of the fuel balance account and hydro costs within 45 days after the end of each billing period. This report shall include price and volumes of fuel consumed, power purchased, hydroelectric power costs, temporary financial emergency adjustments, kWhs sold, and the balance in the fuel balance account.

Schedule CV6

Copper Basin and Valdez Districts G&T Charge

A. Applicability

Available to all consumers eligible to be billed under rate schedules CB1, CB2, CB5, V1, V2, and V3.

B. G&T Charge

Billings to consumers will reflect a per-kWh G&T Charge as identified on Schedule CV10, Generally Applicable Recurring Charges. The G&T Charge will reflect the estimated annual non-fuel cost of power generation and transmission (G&T) operations and assets (less hydroelectric costs recovered under Schedule CV4), divided by estimated annual kWh sales for the rate schedules to which the G&T Charge applies. The estimated annual G&T costs to be recovered in the G&T Charge include operation and maintenance, depreciation, interest, and administrative costs relating to the generation and transmission assets.

C. Temporary Financial Emergency Adjustment

The temporary financial emergency adjustment is a temporary adjustment to the G&T Charge, which may be implemented by action of the Board of Directors, but only in the event that unforeseen operational or other circumstances arise that significantly reduce the level of projected annual Association margins compared to the amount budgeted by the Board of Directors. The amount and duration (in billing months) of a financial emergency adjustment shall be limited to that which is necessary to reasonably address the projected margin deficit.

D. Calculation of G&T Charge

The G&T Charge will be calculated using the following formula:

G&T Charge per kWh = (A+B-C) / D, where:

A = estimated non-fuel generation and transmission costs

B = temporary financial emergency adjustment

C = hydroelectric costs collected through Schedule CV4

D = estimated non-industrial kWhs

E. Revision of G&T Charge

The Association will recalculate the G&T charge annually to reflect changes in the average G&T costs per kWh. If the G&T charge is projected to over or under collect the applicable costs by more than 10 percent, the Association may adjust the rate accordingly to address the over or under collection. G&T Charge related revenues and costs will be reconciled monthly. Before the close of each fiscal year, the Board of Directors will review the reconciliations.

Schedule CV7

Copper Basin and Valdez Districts Heat Revenue Credit

A. Availability

Available to all consumers eligible to be billed under rate schedules CB1, CB2, CB5, V1, V2, and V3. Available only in months when heat revenue is produced from operation of the Association's Cogeneration Project.

B. Heat Revenue Credit Amount in Dollars

The total dollar amount available for the heat revenue credit for a month will be determined based on the estimated heat revenue for the current month multiplied by 80 percent.

C. Heat Revenue Credit Amount in Cents/KWh

The heat revenue credit for a month will be calculated as the heat credit amount in dollars divided by the estimated non-industrial kWh sales for that month, as identified on Schedule CV10, *Generally Applicable Recurring Charges*.

D. Revision of Heat Revenue Credit

The Association will recalculate the heat revenue credit for each month when heat is being produced from the Cogeneration Project.

E. Heat Revenue Balance Account

(1) The utility shall maintain a heat revenue balance account tracking the variance from the actual heat revenue to the heat revenue credited to power bills as identified in Section B.

(2) Transfer to the fuel balancing account is acceptable and must be reflected in the reporting.

F. Heat Revenue Balance Account Reporting

The Association shall prepare a report on the status of the heat revenue balance account within 45 days after the end of each billing period. This report shall include heat revenue dollars, kWhs sold, and the balance in the heat revenue balance account.



Schedule CV8

Copper Basin and Valdez Districts Generally Applicable Recurring Charges

(1) Schedule CV1 – Non-Firm Power Purchase Rate	\$.07949 per kWh
(2) Schedule CV5 – Fuel Charge	\$.0379 per kWh
(3) Schedule CV6 – G&T Charge	\$.1057 per kWh
(4) Schedule CV7 – Heat Revenue Credit	\$.0000 per kWh

19 Copper Basin District Rate Schedules

Table of Contents

CB1	Copper Basin – Residential
CB2	Copper Basin – Small Commercial
CB3	Copper Basin – Large Commercial

Schedule CB1

Copper Basin District Residential Service

A. Availability

Available to consumers of the Association for all home uses subject to its established rules and regulations. Service under this schedule is limited to individual motors up to and including 10 horsepower. This schedule is available only to consumers who use the Association's power as the sole source of power.

B. Type of Service

Single phase, 60 hertz, at the Utility's standard voltages.

C. Application

Service for all home purposes in single occupancy residences and individual apartments when such service is supplied individually through one meter.

D. Rates

Customer charge per month @ \$20.00

Energy charges: All energy @ 7.00¢ per kWh

E. Fuel Charge

A surcharge will be applied to each billing for services rendered under this schedule to reflect the cost of fuel in an amount per kWh identified on the tariff sheet titled *Fuel Charge*.

F. G&T Charge

A surcharge will be applied to each billing for service rendered under this schedule to reflect the cost of generation and transmission (G&T) in an amount per kWh identified on the tariff sheet titled *G&T Charge*.

G. Heat Revenue Credit

When applicable, a credit will be applied to each billing for service rendered under this Schedule to reflect the heat revenue credit in an amount per kWh identified on the tariff sheet titled heat revenue credit.

Schedule CB2

Copper Basin District Small Commercial Service

A. Availability

Available to commercial customers whose continuous 15-minute demand during any period throughout the year does not exceed 50 kW and three-phase farm customers for all uses including lighting, appliances, cooking, heating, and motors, all covering this service. This schedule is available only to consumers who use the Association's power as the sole source of power.

B. Type of Service

Single-phase and three-phase where available at available voltages.

C. Application

General service for power and lighting purposes where all service taken by the consumer is supplied through one meter at one point of delivery; available phase and voltage at option.

Consumers having their homes on the same premises with their business establishments may include service to both on the same meter, in which case all services will be billed under this schedule, using the rate below.

D. Rates

Customer charge per month @ \$30.00

Energy charges: All energy @ 8.62¢ per kWh

E. Fuel Charge

A surcharge will be applied to each billing for services rendered under this schedule to reflect the cost of fuel in an amount per kWh identified on the tariff sheet titled *Fuel Charge*.

F. G&T Charge

A surcharge will be applied to each billing for service rendered under this schedule to reflect the cost of generation and transmission (G&T) in an amount per kWh identified on the tariff sheet titled *G&T Charge*.

G. Heat Revenue Credit

When applicable, a credit will be applied to each billing for service rendered under this schedule to reflect the heat revenue credit in an amount per kWh identified on the tariff sheet titled *Heat Revenue Credit*.

H. General Provisions

Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.

If service is furnished at the utility's primary line voltage, the delivery point shall be the point of attachment of the utility's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

Schedule CB3

Copper Basin District Large Commercial Service

A. Availability

Available to consumers whose continuous 15-minute demand during any period throughout the year exceeds 50 kW but does not exceed 1500 kW and who are located on or near the Association's three-phase lines for all types of usage, subject to the established rules and regulations of the Association. This schedule is available only to consumers who use the Association's power as the sole source of power.

B. Type of Service

Three-phase, 60 cycles, at the Association's standard voltages.

C. Rates

Customer charge per month @ \$100.00

Demand charge per month @ \$12.00 per kW

Energy charges:

0 to 10,000 kWh per month @ 6.60¢ per kWh

Over 10,000 kWh per month @ 4.06¢ per kWh

D. Determination of Billing Demand

The billing demand shall be the maximum kilowatt demand established by the customer for any period of 15 consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter and adjusted for power factor as provided below.

E. Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. Demand charges will be adjusted for consumers with 50 kVA or more of measured demand to correct for average power factors lower than 90 percent and may be so adjusted for other consumers if and when the Association deems necessary. Such adjustments will be made by increasing the measured demand 1 percent for each 1 percent by which the average power factor is less than 90 percent lagging.

F. Fuel Charge

A surcharge will be applied to each billing for services rendered under this schedule to reflect the cost of fuel in an amount per kWh identified on the tariff sheet titled *Fuel Charge*.

G. G&T Charge

A surcharge will be applied to each billing for service rendered under this schedule to reflect the cost of generation and transmission (G&T) in an amount per kWh identified on the tariff sheet titled *G&T Charge*.

H. Heat Revenue Credit

When applicable, a credit will be applied to each billing for service rendered under this schedule to reflect the heat revenue credit in an amount per kWh identified on the tariff sheet titled *Heat Revenue Credit*.

I. General Provisions

(1) Delivery Point

(a) If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.

(b) If service is furnished at the Association's primary line voltage, the delivery point shall be the point of attachment of the Association's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

(2) Lighting

Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, the registrations of the two watt-hour meters shall be added to obtain total kWhs used, and the registrations of the two demand meters shall be added to obtain the total kW demand for billing purposes.

20 Valdez District Rate Schedules

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V1	Valdez – Residential
V2	Valdez – Small Commercial
V3	Valdez – Large Commercial
V4	Valdez – Industrial

Schedule V1

Valdez District Residential Service

A. Availability

Available to consumers of the Association for all home uses subject to its established rules and regulations. Service under this schedule is limited to individual motors up to and including 10 horsepower. This schedule is available only to consumers use the Association's power as the sole source of power.

B. Type of Service

Single phase, 60 hertz, at the Association's standard voltages.

C. Application

Service for all home purposes in single occupancy residences and individual apartments when such service is supplied individually through one meter.

D. Rates

Customer charge per month @ \$20.00

Energy charges: All energy @ 5.58¢ per kWh

E. Fuel Charge

A surcharge will be applied to each billing for services rendered under this schedule to reflect the cost of fuel in an amount per kWh identified on the tariff sheet titled *Fuel Charge*.

F. G&T Charge

A surcharge will be applied to each billing for service rendered under this schedule to reflect the cost of generation and transmission (G&T) in an amount per kWh identified on the tariff sheet titled *G&T Charge*.

G. Heat Revenue Credit

When applicable, a credit will be applied to each billing for service rendered under this schedule to reflect the heat revenue credit in an amount per kWh identified on the tariff sheet titled *Heat Revenue Credit*.

H. General Provisions

- (1) Single occupancy dwellings and/or farm uses where production is the item of income and not retail sales.
- (2) This Schedule shall not apply where any kind of material is handled for resale.
- (3) The foregoing schedule will be applied to each meter and point of delivery and in no event shall meter readings be combined.
- (4) Delivery Point
 - (a) If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.
 - (b) If service is furnished at the utility's primary line voltage, the delivery point shall be the point of attachment of the utility's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

Schedule V2

Valdez District Small Commercial Service

A. Availability

Available to commercial consumers whose continuous 15-minute demand during any period throughout the year does not exceed 50 kW, and three-phase farm consumers for all uses including lighting, appliances, cooking, heating, and motors, all subject to the established rules and regulations of the Association covering this service. This schedule is available only to consumers who use the Association's power as the sole source of power.

B. Type of Service

Single-phase and three-phase where available at available voltages.

C. Application

General service for power and lighting purposes where all service taken by the consumer is supplied through one meter at one point of delivery; available phase and voltage at option.

Consumers having their homes on the same premises with their business establishments may include service to both on the same meter, in which case all services will be billed under this schedule, using the rate below.

D. Rates

Customer charge per month @ \$30.00

Energy charges: All energy @ 6.36¢ per kWh

E. Fuel Charge

A surcharge will be applied to each billing for services rendered under this schedule to reflect the cost of fuel in an amount per kWh identified on the tariff sheet titled *Fuel Charge*.

F. G&T Charge

A surcharge will be applied to each billing for service rendered under this schedule to reflect the cost of generation and transmission (G&T) in an amount per kWh identified on the tariff sheet titled *G&T Charge*.

G. Heat Revenue Credit

When applicable, a credit will be applied to each billing for service rendered under this schedule to reflect the heat revenue credit in an amount per kWh identified on the tariff sheet titled *Heat Revenue Credit*.

H. General Provisions

Delivery Point

- (1) If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.
- (2) If service is furnished at the utility's primary line voltage, the delivery point shall be the point of attachment of the utility's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

Schedule V3

Valdez District Large Commercial Service

A. Availability

Available to consumers whose continuous 15-minute demand during any period throughout the year exceeds 50 kW but does not exceed 1500 kW and who are located on or near the Association's three-phase lines for all types of usage, subject to the established rules and regulations of the Association. This schedule is available only to consumers who use the Association's power as the sole source of power.

B. Type of Service

Three-phase, 60 cycles, at the Association's standard voltages.

C. Rates

Customer charge per month @ \$100.00

Demand charge per month @ \$12.00 per kW

Energy charges:

0 to 25,000 kWh per month @ 5.60¢ per kWh

Over 25,000 kWh per month @ 1.80¢ per kWh

D. Determination of Billing Demand

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of 15 consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter and adjusted for power factor as provided below.

E. Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. Demand charges will be adjusted for consumers with 50 kVA or more of measured demand to correct for average power factors lower than 90 percent and may be so adjusted for other consumers if and when the Association deems necessary. Such adjustments will be made by increasing the measured demand 1 percent for each 1 percent by which the average power factor is less than 90 percent lagging.

F. Fuel Charge

A surcharge will be applied to each billing for services rendered under this schedule to reflect the cost of fuel in an amount per kWh identified on the tariff sheet titled *Fuel Charge*.

G. G&T Charge

A surcharge will be applied to each billing for service rendered under this schedule to reflect the cost of generation and transmission (G&T) in an amount per kWh identified on the tariff sheet titled *G&T Charge*.

H. Heat Revenue Credit

When applicable, a credit will be applied to each billing for service rendered under this schedule to reflect the heat revenue credit in an amount per kWh identified on the tariff sheet titled *Heat Revenue Credit*.

I. General Provisions - Delivery Point

(1) If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.

(2) If service is furnished at the Association's primary line voltage, the delivery point shall be the point of attachment of the Association's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

J. Lighting

Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, the registrations of the two watt-hour meters shall be added to obtain total kilowatt-hours used, and the registrations of the two demand meters shall be added to obtain the total kilowatt demand for billing purposes.

Schedule V4

Valdez District Industrial Service

A. Availability

Available to consumers whose continuous 15-minute demand exceeds 1500 kW during any period throughout the calendar year, and whose annual load factor meets or exceeds 85 percent on a calendar year basis. Facilities must be located near existing three-phase circuits and shall be primary metered. This schedule is available only to consumers who use the Association's power as the sole source of power.

B. Type of Service

Three-phase, 60 cycles, at the Association's standard primary voltages.

C. Rates

Customer charge per month @ \$110.00

Demand charge per month @ \$13.20 per kW

Energy charges:

All kWh per month @ 1.56¢ per kWh

D. Determination of Billing Demand

The billing demand shall be the maximum kilowatt demand established by the customer for any period of 15 consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter and adjusted for power factor as provided below.

E. Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. Demand charges will be adjusted for consumers with 50 kilowatts or more of measured demand to correct for average power factors lower than 90 percent and may be so adjusted for other consumers if and when the Association deems necessary. Such adjustments will be made by increasing the measured demand 1 percent for each 1 percent by which the average power factor is less than 90 percent lagging.

F. Fuel Charge

A surcharge will be applied to each billing for services rendered under this schedule to reflect the cost of fuel in an amount per kWh identified on the tariff sheet titled *Fuel Charge*.

G. G&T Charge

A surcharge will be applied to each billing for service rendered under this schedule to reflect the cost of generation and transmission (G&T) in an amount per kWh identified on the tariff sheet titled *G&T Charge*.

H. Heat Revenue Credit

When applicable, a credit will be applied to each billing for service rendered under this schedule to reflect the heat revenue credit in an amount per kWh identified on the tariff sheet titled *Heat Revenue Credit*.

I. General Provisions - Delivery Point

Service is furnished at the Association's primary line voltage, the delivery point shall be the point of attachment of the Association's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.



21 Schedule of Fees

<u>Description</u>	<u>Fee \$</u>
Connect Fee/Reconnect Fee/Service Call	
During Normal Hours	50.00
Outside Normal Hours	200.00
NSF Check Charge	35.00
Meter Seal Breakage	
Unauthorized Breakage	200.00
Field Collection Fee	40.00
Late Payment Fee	
Residential	10.00
Commercial	50.00

Fees not identified above will be billed at CVEA's labor and transportation rates updated annually for actual costs.