

Subject: RULES AND REGULATIONS			
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I. GENERAL

- A. Empire Electric Association, Inc.’s (“EEA”) Rules and Regulations (“Regulations”) set forth the terms and conditions under which Electric Service is supplied and govern all classes of service in the territory served by EEA. These Regulations are subject to termination, change, or modification, in whole or in part, upon proper notice by EEA’s Board of Directors. Any waiver at any time of EEA’s rights or privileges under these Regulations will not be deemed as a waiver as to any breach or other matter subsequently occurring.
- B. These Regulations and the applicable Rate Tariff are hereby made part of each Service Agreement. In case of a conflict between any of the provisions of the Regulations, the Rate Tariff, or the Service Agreement, the provisions of the Rate Tariff will take precedence followed by the provisions of the Regulations.
- C. EEA’s member owners have voted to approve an exemption from regulation of EEA by the Colorado Public Utilities Commission (“COPUC”) by virtue of exemption authority provided in C.R.S. § 40-9.5-101 *et seq.* A certification of election results was filed with the COPUC on August 5, 1986. Additionally, UCA § 54-2-202 provides certain exemptions from Utah Public Service Commission (“UTPSC”) jurisdiction for out-of-state distribution electrical cooperatives that meet certain criteria. EEA self-certified to the UTPSC that it meets the exemption criteria set forth in UCA § 54-2-202 and the UTPSC accepted that self-certification on August 9, 2018.
- D. Any member who wishes to register a complaint concerning rates, the manner in which Electric Service is provided, or any proposed changes to EEA’s rates or Regulations shall do so under the guidelines contained in EEA’s Board Policy 52 – Regulations Governing Complaints, as the same may be amended, modified, or superseded.
- E. The safety of EEA’s employees, Customers, and the general public is one of EEA’s top priorities. There is inherent danger to using electrical power, and risk is assumed by the Customer in utilizing Electric Service. EEA is committed to making safety information available to members. While EEA is responsible for building and maintaining a safe and reliable system, Customers bear ultimate responsibility for ensuring their education of and adherence to safe electrical practices to prevent harm to person or property.
- F. EEA takes the protection of Customer Information seriously and will not release Customer Information to persons not authorized on the Customer’s account unless the Customer makes a written request for information to be released to a third party, or unless required to release such information by law. EEA will only use Customer Information for the normal course of its business, which includes releasing a list of members to each candidate running for the board in compliance with C.R.S. § 7-127-201. This list will contain the member’s name as well as address.
- G. EEA shall use reasonable diligence to provide constant and uninterrupted supply of Electric Service within the voltage levels set forth in the United States Department of Agriculture Rural Utilities Service Bulletin 1724D-113. However, voltage fluctuations, interruptions in service, and other electrical disturbances beyond the reasonable control of EEA may occur from time to time. EEA shall not be liable for any damages that may result from such events.

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- H. For purposes of making repairs to or changes in EEA's facilities, EEA may, without incurring any liability, suspend Electric Service for such period as may be required. Whenever possible, EEA will attempt to give reasonable notice to the Customer(s) prior to such suspension.
- I. Should EEA determine that it will be necessary to restrain or control Electric Service, EEA may temporarily reduce voltage on affected transmission and distribution lines, temporarily interrupt service on the affected lines, or set a schedule of hours of operation for all the Customers on the affected lines. Such curtailment of service shall be applicable whether caused by temporarily inadequate facilities of EEA or EEA's power supplier.
- J. These Regulations supersede and replace all previous Regulations which may have been in effect.

II. DEFINITIONS

- A. Applicant – Any person or entity applying for Electric Service or service modification from EEA.
- B. Board of Directors – The majority of the Board of Directors of the Empire Electric Association, Inc. acting at a regular or special meeting.
- C. Customer – Any member or non-member, or their agent, taking Electric Service from EEA.
- D. Customer Information – Personal identification information of a Customer, such as the Customer's name, address, and tax identification number.
- E. Electric Service – The availability of EEA to deliver electrical energy to or receive electrical energy from a Customer.
- F. Governing Documents – EEA's Bylaws, Articles of Incorporation, Board of Directors policies, Rate Tariffs, these Regulations or any amendments thereof, and Service Agreements.
- G. Point of Delivery – The point where EEA's facilities are first connected to the electric facilities of the Customer. The location of the Point of Delivery will be determined by EEA in accordance with standard practice or as individual circumstances may dictate. EEA will maintain Point of Delivery diagrams for common installation types.
- H. Rate Tariff(s) – EEA's tariffs that define the rates charged for Electric Service and miscellaneous fees.
- I. Service Agreement(s) – Any form or document agreed to by an Applicant or Customer related to taking Electric Service from EEA.

III. CUSTOMER RESPONSIBILITIES

- A. By taking Electric Service the Customer agrees to be bound by EEA's Governing Documents. Failure by the Customer to comply with the Governing Documents may result in termination of Electric Service to the Customer and removal of EEA's facilities used to provide Electric Service to the Customer.
- B. By taking Electric Service the Customer also agrees to grant EEA an easement for electric lines, wires, conduits, and other equipment of EEA necessary to render service to the Customer. If requested by EEA, the Customer will execute, or cause the property owner to execute, EEA's standard Right-of-Way Agreement granting EEA, at no expense therefore, easements for suitable location of EEA's wires, conduits, poles, transformers, metering equipment, and other appurtenances on, under or across lands, and will furnish space satisfactory to EEA for all necessary apparatus of EEA to furnish Electrical Service to the Customer.

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- C. Customer shall provide reasonable access to the premises at all reasonable times for authorized representatives of EEA for any proper purpose incidental to the supplying of Electric Service. The Customer shall be required to pay all expenses incurred by EEA for meter readings, connects, and disconnects in the event such access is not provided. In the event of an emergency or to protect the safety of EEA's facilities or equipment, the Customer, or the public, authorized representatives of EEA shall access the Customer's property immediately, and without prior notice to Customer.
- D. Customer shall provide access and allow EEA to trim trees and other vegetation that, in EEA's opinion, presents a risk to EEA's electric lines or equipment.
- E. A Customer will confer with EEA before any special apparatus or any apparatus requiring extremely close voltage or frequency regulation is connected. In the event that any equipment is connected to EEA's lines, the operation of which impairs Electric Service to other Customers and/or the operation of EEA's equipment, EEA reserves the right to require correction of the condition by the Customer. EEA may discontinue Electric Service to such equipment until the condition is corrected. In circumstances where the use of equipment having fluctuation or intermittent load characteristics, or having an abnormal effect on voltage, necessitate the furnishing of additional facilities in order to protect service to the Customer or other Customers, EEA reserves the right to charge the Customer the full cost of the additional facilities.
- F. EEA cannot render Electric Service to any Customer for the operation of any device that has a detrimental effect upon the service provided to other Customers. Excessive harmonic distortion on the distribution system can have adverse effects on both EEA and its Customers. In order to ensure the processes and operations of one Customer connected to the system does not affect another, the Customer's load or generation shall at a minimum comply with the limits for harmonic distortion set in IEEE Std. 519-2014 -- Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems. Where the Customer's load or generation produces unacceptable levels of harmonic distortion, the Customer shall be responsible, at Customer's expense, for correcting the distortion to within acceptable levels.
- G. As EEA's wires, poles, transformers, meters, and other facilities used in supplying Electric Service to the Customer have a definite limited capacity, the Customer shall give prior written notice to EEA and obtain its consent before making any material changes or increases in the Customer's connected load or generation. EEA will, as promptly as possible, give its approval to the proposed change or advise the Customer on the conditions service can be supplied for such change or alteration. Customer shall not make any change or alteration unless and until Customer has met the conditions required by EEA.
- H. Any modification or relocation of EEA's wires, transformers, meters, and other facilities will be made as defined in EEA's Facilities Extension and Modification Policy.
- I. Requests for temporary alterations or relocation of EEA's facilities shall be made sufficiently in advance to enable EEA to properly schedule the requested alteration or relocation. Where possible, at least thirty (30) days' notice should be given.
- J. All wiring and electrical equipment on the Customer's side of the Point of Delivery will be installed and maintained by the Customer in conformity with good electrical practice, the National Electric Code, the National Electrical Safety Code, and any other industry code as applicable. The Customer is responsible for ensuring electrical equipment, appliances, and devices installed on the Customer's side of the Point of Delivery are adequately protected from voltage fluctuations, interruptions in service, or other electrical disturbances. The Customer will indemnify, hold

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harmless and defend EEA against all claims, demands, cost, or expense, for loss, damage, or injury to persons or property, in any manner directly or indirectly connected with, or growing out of, the transmission or use of Electric Service by the Customer, at or on the Customer's side of the Point of Delivery.

- K. Distributed energy resources ("DER"), including sources of generation behind the Customer's meter, must comply with EEA's Board of Director's Policy No. 56 – Interconnection of Distributed Energy Resources and EEA's Interconnection Standards for Distributed Energy Resources, as the same may be amended, modified, or superseded. Applicants wishing to connect a DER must execute a Distributed Energy Resources Interconnection Agreement with EEA and pay any applicable fees per EEAs Fee Schedule Tariff. A Customer shall not sell energy produced by a DER to any person or entity, with the following exception: energy produced in compliance with C.R.S. § 40-1-103.3 may be sold according to the rules established by C.R.S. § 40-1-103.3, to the extent said statute is determined to apply to EEA.
- L. Standby generators for emergency use shall not be considered DER. A switch capable of disconnecting from the utility source before connecting to the standby source and preventing any reconnect to the utility source until standby source has been disconnected from the system shall be required at each premises served by a standby generator to prevent back feed into EEA's system, unless an alternate configuration is approved by EEA.
- M. A Customer shall not extend his electric facilities outside his premises for service to other Customers or premises, and shall not resell any of the energy received from EEA to any other person or entity, with the following exception: facilities that meet the criteria established by C.R.S. § 40-1-103.3 may resell energy received from EEA according to the rules established by C.R.S. § 40-1-103.3, to the extent said statute is determined to apply to EEA.

IV. ESTABLISHING SERVICE

- A. Each Applicant for Electric Service may become a member of EEA under the terms and conditions prescribed by the Bylaws of EEA. Only one membership will be issued to an individual or entity regardless of the number of meters that the individual or entity may require. Regardless of membership status, all Customers shall be bound by EEA's Governing Documents. By signing or orally agreeing to the Service Agreement, Applicant agrees to be bound and governed by the Governing Documents, as the same may be amended, modified, or superseded.
- B. To establish Electric Service at an existing premises, the following must be met:
 - 1. Completed and signed Application for Electric Service Form.
 - 2. Provide proper identification to validate identity.
 - 3. Provide tax identification information.
 - 4. Payment of all required fees and deposits.
 - 5. Payment of all past-due amounts owed to EEA.
- C. In addition to the above, EEA may require additional information such as proof of ownership or a valid lease agreement for the premises, if EEA determines such information is needed.
- D. To have Electric Service extended to a new premises an Applicant must provide the information noted above and must also comply with the provisions set forth in the Facilities Extension and Modification Policy.

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- E. When a service is eligible to receive Electric Service under two or more Rate Tariffs, the Applicant may select which rate the Applicant will be billed under. The Applicant shall be responsible for selection of said rate, and EEA shall assume no liability thereof. A Customer being billed under one of two or more Rate Tariffs applicable to the Customer's service may elect to be billed on any other applicable Rate Tariff by notifying EEA in writing and EEA will bill the Customer under such elected rate from and after the date of the next meter reading. Provided, however, that a Customer having made such a change of Rate Tariff may not make another such change within the next twelve months, unless altered conditions or other good cause justify a change within a shorter period.
- F. Whenever, for any reason, EEA furnishes two or more meter installations for a single Customer each point of metering shall be considered a separate service and be separately billed, including separate base charges for each service, unless contractually agreed otherwise by EEA.
- G. The use of Electric Service constitutes an agreement under which the Customer receives Electric Service and agrees to pay EEA. Each person of full legal age who resides at the premises to which service is delivered shall be deemed to receive benefit of service supplied and shall be liable to EEA for payment, subject to conditions hereinafter stated, whether or not service is listed in their name. EEA is obligated to pursue reasonable and timely efforts to effect payment by or collections from the Customer. In the event such efforts are unsuccessful, and it is necessary for EEA to effect payment by or collection from a user who is not the Customer by transfer of an account or otherwise, EEA shall give prior written notice to said user that they may factually dispute the applicability of the benefit of service rule stated in this paragraph to their specific situation by making a written statement to EEA. The benefits and obligations of the agreement for service may not be assigned without written consent of EEA. A separate agreement will be made for each class of service at each separate location.
- H. EEA may decline to furnish Electric Service for a Customer who is deemed delinquent on an account where they have benefited from service. This includes roommates, spouses, domestic partners, etc. Evidence used by EEA may include lease agreements, common knowledge in the community, existing familial relationship, etc. EEA may decline to furnish Electric Service to a location where the previous account at that address has been disconnected for nonpayment unless the new Applicant is able to provide proof of recent acquisition of said property in the form of a lease agreement or ownership information.
- I. EEA may require the Customer to have an electrical inspection of any property that has been remodeled or where EEA has reason to believe that there is a safety concern before providing service.
- J. EEA shall charge the Customer for all service trips to the premises per EEA's Fee Schedule Tariff.

V. DEPOSITS

- A. A deposit to secure payment of bills as they become due may be required for any of the following:
 - 1. At the time of initial service at a premises.
 - 2. If the Customer does not pay a bill on or before its due date three (3) times during any twelve (12) consecutive month period.
 - 3. If the Customer is disconnected for non-payment of an electric account.
 - 4. If EEA determines sufficient risk exists and current deposit, including interest, is inadequate.

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- B. The amount of the deposit will be either a fixed dollar amount approved by the Board of Directors or the estimated cost of Electric Service for three (3) months, whichever is greater.
- C. Deposits may be made in one of the following forms:
 - 1. Cash.
 - 2. Bank Letter of Credit – A bank letter of credit may be accepted in lieu of cash deposit provided it is issued by a bank acceptable to EEA and in a form and on terms acceptable to EEA.
- D. When a residential Customer's cooperative capital credit balance equals the deposit on hand and if the residential Customer has established a good credit record with EEA, residential class deposits may be applied, refunded, returned, or canceled, depending on the form and conditions of the deposit upon the request of the Customer. Generally, a good credit record may be established by paying electric bills on or before their due dates for at least the preceding twelve (12) consecutive months.
- E. Residential Customers who establish good credit under the above provision are eligible to transfer credit to new residential accounts in their name under terms and conditions acceptable to EEA.
- F. Deposits of non-residential Customers may be held as long as the Customer is receiving service. Deposits of any Customer who has been disconnected for non-payment of Electric Service, who has previously left EEA owing an unpaid account, or who has tampered with a meter shall be held as long as the Customer is receiving service.
- G. The existence of a deposit will not relieve any Customer from payment of current bills as they become due, and no deposit will be applied by EEA to any indebtedness of the Customer except to bills due or past due after the service has been disconnected or if the Customer enrolls in EEA's prepay program.
- H. Simple interest on cash deposits will be paid for the time held by EEA and will be calculated from the date the deposit was received. The rate of interest paid will be established annually by the Board of Directors and will be based on the average monthly interest rate for area bank savings accounts. EEA will post the current interest rate as authorized by the Board of Directors at EEA's main office in Cortez, Colorado. Interest on deposits will be paid or applied at the time the deposit is refunded to the Customer.

VI. TARIFFS

- A. All EEA Rate Tariffs are subject to revision upon approval of the Board of Directors. EEA's Electric Service rates and miscellaneous charges and fees shall be included in Rate Tariffs separate from these Regulations.

VII. BILLING

- A. EEA will exercise all reasonable measures to assure the accurate computation of bills for Electric Service. In the event that an error occurs, EEA will correct the bill and timely credit the Customer's account for any overbilling or charge the Customer's account for any underbilling.
- B. Each service will be billed according to the Rate Tariffs and Service Agreements applicable to that service. Bills will be rendered for each service on a monthly basis or other routine interval at the sole option of EEA. Estimated bills will be rendered when a regular meter reading cannot be

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obtained. Bills will contain a conspicuous due date and amount due as well as sufficient detail on quantity and price to allow the Customer to calculate the total due. Bills will be mailed or an email notification of bill availability will be sent to Customers who have opted into paperless billing to the address provided by the Customer. Bills for service will be deemed received when mailed or emailed to the Customer. For prepay customers, daily billings will be available on-line and will be deemed received when posted on-line.

- C. All bills are due and payable in US dollars by the due date provided on the bill. EEA offers several automatic payment options to facilitate these payments. Final bills and bills for connection and reconnection are due upon presentation.
- D. A Customer may dispute a bill by providing EEA notice that the bill is disputed and the reasons for the dispute. EEA will promptly investigate all disputed bills and make corrections if necessary. Disputing a bill does not relieve the Customer from the responsibility of paying the bill on the due date, unless an extension of the due date is granted by EEA. If the dispute is not settled to the satisfaction of the Customer, they may dispute the bill through Board Policy 52 – Regulation Governing Complaints.
- E. EEA offers a levelized billing option to residential Customers. It is preferable to have at least twelve (12) months billing history prior to allowing levelized billing; however, EEA, at its discretion, may allow levelized billing with less billing history.
- F. The Customer is responsible for notifying EEA when the Customer no longer needs service at a premises. The Customer will continue to be liable for such service until such time that the Customer either notifies EEA that the Customer no longer wants service at a premises, or another Customer sets service at that premises.

VIII. COLLECTIONS AND DISCONNECTS

- A. Should the Customer contact EEA to arrange to pay a bill in arrears, EEA will consider the following before making any payment arrangement:
 - 1. Circumstances for the past due amount.
 - 2. Prior payment practice by the Customer.
 - 3. Prior arrangements.
 - 4. Prior disconnects.
 - 5. Customer's stated reason for requesting the arrangement.
- B. In making the arrangement, the due date shall not exceed 10 days from the original disconnect date. Any arrangement shall be made at the sole discretion of EEA.
- C. A Customer shall be offered an installment payment if a bill includes amounts from past billing periods arising solely from events under control of EEA, such as meter malfunction, billing errors, meter reading errors, etc. This provision shall not apply if the Customer has not provided EEA access to read the meter.
- D. Failure by the Customer to pay a bill by the due date may result in additional fees as well as termination of Electric Service. A late payment charge shall be added to the amount five (5) business days after the due date per EEA's Fee Schedule Tariff. EEA shall charge the Customer for all service trips required to disconnect service for non-payment, collect a payment, or reconnect a service per EEA's Fee Schedule Tariff. Termination of service will not be made without providing at least ten (10) days written notice to the Customer except for prepay

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Customers who will be disconnected when their pre-paid balance is at or below zero. This written notice may be on the Customer's monthly bill and will be deemed received by the Customer when mailed or emailed. If service is terminated for non-payment for Electric Service, all amounts owing EEA as well as any deposit required shall be paid in full before service will be restored.

- E. Any returned check or draft payment shall be deemed as payment not being made and is subject to additional fees as provided for in EEA's Fee Schedule Tariff. The Customer may also be required to make payment by other means at EEA's main office in Cortez, Colorado for the returned item. EEA may disconnect service after proper notice has been given to the Customer. EEA will attempt to contact the Customer and give them one (1) business day to pay this amount by other means before disconnecting Electric Service. If the returned check was for a payment made for a disconnect notice or on a prepay account, proper notice will be deemed to have been made and the account will immediately be subject to disconnect.
- F. A Customer may present a medical statement to EEA from a licensed Colorado or Utah medical doctor stating that discontinuance of Electric Service will aggravate an existing medical emergency or create a medical emergency of a permanent resident at the residential premises. Upon receipt of such statement, EEA will reconnect service or halt termination of service at the Customer's premise for ninety (90) days after the date of the medical statement. EEA will only accept one (1) medical statement in a rolling twelve (12) month period from a Customer. A medical statement does not relieve the Customer of the responsibility to pay the costs associated with utilizing Electric Service.
- G. EEA works with several agencies that provide financial assistance to those residential Customers who are financially unable to pay their bill. EEA will make a referral to these agencies upon request, but this action will not stop termination of service unless funds are guaranteed by one of these agencies before the date of the scheduled disconnect.
- H. No service will be terminated by EEA for non-payment between 4:00PM Thursday and 8:00AM Monday or after 12:00PM on a day preceding a holiday observed by EEA. Upon receipt of payment for amounts owing to reconnect Electric Service, EEA shall complete the reconnect by 12:00PM on the next normal business day. If the Customer wishes to have service restored sooner, the Customer may pay the additional costs associated with re-establishing the service after hours.
- I. In the event of meter tampering, energy diversion, or unsafe conditions, EEA will disconnect Electric Service immediately.

IX. METERS

- A. EEA will furnish, install, maintain, and own the necessary meters and meter accessories to measure usage provided under all tariffs, unless otherwise noted in specific Rate Tariffs or Service Agreements. The Customer shall provide and maintain a satisfactory location for the installation of the meter without cost to EEA. Meters will not be located in inaccessible or unsafe areas. If EEA determines that the Customer has rendered a meter inaccessible or the area where the meter is location has become unsafe, EEA has the right to disconnect Electric Service until the Customer has remediated the problem to the satisfaction of EEA. EEA will provide twenty (20) days written notice to the Customer before disconnecting the meter in these situations. Metering installations shall be installed in accordance with the National Electric Safety Code, the National Electric Code,

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and any other industry code as applicable, and shall be inspected and properly tagged by the State Electrical Inspector in areas within their area of jurisdiction before the service will be energized.

- B. If a meter fails to register or register accurately during any period of time, EEA may estimate the Customers usage based on best available data.
- C. EEA will inspect and test meters from time to time and maintain their accuracy of registration in accordance with EEA's meter testing practices. EEA will make special tests when requested by the Customer, but not more frequently than once every two years without cost to the Customer. For more frequent meter testing, the Customer may be charged for the cost to perform such a test. If the average error, measured by dividing the algebraic sum of the error at light load (1% to 10% of rated capacity) and the error at heavy load (60% to 100% of rated capacity) by two, is more than 2% fast or slow, an adjustment will be made for one-half of the period since the last meter test.

X. METER TAMPERING OR ENERGY DIVERSION

- A. In the event that a meter is by-passed, tampered with, or otherwise caused to record incorrectly, EEA may disconnect Electric Service without notice. EEA may require a deposit equivalent to the cost of Electric Service for six (6) months before reconnecting the service. Breaking of a meter seal without notifying EEA shall be considered prima facie evidence of diversion by the Customer in whose name the service is being rendered, or by the person or entity benefiting from the use of such diverted energy. Deposits collected for meter tampering will only be refunded upon the Customer leaving EEA's service territory or at other times EEA may deem appropriate, in EEA's sole discretion.
- B. In the event of unauthorized connection of Electric Service by a Customer, EEA may disconnect Electric Service without notice and the above deposit criteria may be used by EEA.
- C. In all instances outlined above, EEA may estimate the usage not registered until it is able to accurately obtain this information. The Customer will be required to pay for such estimated usage, any costs related to the disconnecting and connecting service, costs to repair damage to EEA's facilities, and any additional deposit required before Electric Service will be restored.

XI. ATTACHMENT TO EEA'S POLES

- A. No posters, banners, placards, antennae, or other objects may be attached to the poles of EEA without the prior written permission of EEA. EEA will not install or permit installation of the Customer's wires or equipment on EEA's poles except where metering is on a pole. In this case, the Customer will be allowed to connect underground secondary wires to the meter socket.

XII. REMOVAL OF SERVICES

- A. In order for EEA facilities to be maintained to any disconnected service, the owner of such service, or any other person interested in doing so, must pay the applicable minimum bill. The minimum bill shall be the base charge plus applicable taxes and fees unless otherwise defined in the Rate Tariff for the relevant rate class or in an applicable Service Agreement. If the minimum is not paid when due, EEA may, at its option, retire or remove the facilities.

