

“EXHIBIT A”

PUBLIC UTILITY DISTRICT NO.1

OF JEFFERSON COUNTY

ELECTRIC SERVICE REGULATIONS

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SECTION 1 - DEFINITIONS

- A. ANNUAL LOAD FACTOR - The quotient of the annual electric usage divided by the product of the highest monthly peak demand multiplied by 8,760 (24 x 365).
- B. APPROVED LESSEE -A person or legal entity furnishing evidence of a lease of sufficient duration and provisions, in the opinion of the General Manager of the District, to justify application of the Line Extension Policy for line construction to serve a proposed facility.
- C. BILLING PERIOD - The normal billing period will be from 27 to 33 days and adjusted so that there are twelve (12) billing periods per calendar year. The District reserves the right to adjust billing periods in order to facilitate operations.
- D. COMMERCIAL SERVICE - A commercial service is any service to any building, facility or structure that is owned and operated as a part of a business.
- E. CONTRACTED SERVICE LOCATION - The designated site on a parcel of land where service is requested by the person(s) initiating line construction, which site determines both timing and ownership of refunds which become available. To qualify as a Contracted Service Location, a site must be of adequate size to accommodate the facility stipulated in the Customer's contract.
- F. CONTRIBUTION IN AID OF CONSTRUCTION - The construction cost of a line extension as paid by the Customer plus unit trench and conduit cost for lines installed by the District.
- G. CONVENTIONAL SUBDIVISION - A subdivision of land such that installation of electric utility lines is required by the County for approval for marketing of building sites.
- H. CUSTOMER - A person, commercial business, or other entity that has, or has applied for, a service account with the District.
- I. DEVELOPER - A person, commercial business, or legal entity requesting service to two or more dwelling sites, to a manufactured home rental facility, or to a multi-family structure.
- J. DISTRICT - Public Utility District No.1 of Jefferson County, Washington.
- K. FINANCIAL INSTITUTIONS - Banks, credit unions, and savings and loans.

- L. HOME ENTERPRISE AND HOME-BASED INDUSTRY SERVICE - Home-based enterprise, business, or industries shall be defined by requirements set forth in the Jefferson County Zoning Code. When meeting these requirements, the service shall be classified as a Residential Service.
- M. IDLE FACILITIES - Overhead and underground lines and equipment which were installed as a means of providing service to customers and have not been used by the customer for active service for a period of one year or more.
- N. INDUSTRIAL SERVICE - An industrial service is any commercial service that has over 50 horsepower or over 100 kW of total connected load.
- O. LOW INCOME -Meeting the guidelines established by the PUD policy and/or state, or federal regulations.
- P. MANAGER - The General Manager of Public Utility District NO.1 of Jefferson County, Washington, or authorized agent thereof.
- Q. MANUFACTURED HOME - A structure for residential occupancy (eating, sleeping, and sanitation accommodations) that is built on a permanent chassis designed to be transportable and is a minimum of 8 feet wide and 40 feet long excluding the tongue. (Formerly referred to as "mobile home.")
- R. NONCONVENTIONAL SUBDIVISION - Any other subdivision of land, including short-platting, where installation of electric utility lines is not required under County regulations.
- S. OWNER - The Owner of property shall be deemed the holder of the Statutory Warranty Deed, EXCEPT that in the event of contract sale, the Owner shall be deemed to be that person (those persons) purchasing the property by Real Estate Contract.
- T. PERSON - Human Beings, associations, co-partnerships, and corporations, whether acting by themselves or by a servant, agent, or employee.
- U. RESIDENTIAL SERVICE - A residential service is a service to any building, facility or structure that is associated with a residence. This residence may be either single or multi family type. Included in this category will be manufactured homes occupying spaces in parks if the spaces are individually metered. Not included in this category will be motels, hotels and RV parks that have only one meter or master meter for multiple units.

- V. Not Assigned
- W. TRENCH - Trenching, bedding, backfilling, compaction, restoration, and maintenance of subsequent ditch settling.
- X. TRENCH COST - The unit cost of trenching as established by the District.

SECTION 2 -GENERAL REGULATIONS

A. CONTRACTS, RATES, AND RESALE

Electric service shall be provided upon written application; such application being a contract for service, subject to the Electric Service Regulations of the District. Rates shall be as detailed in the applicable Rate Schedule. Where, by special consideration of the Manager, more than one Customer receives service from one metering point, the basic charges may be multiplied by the number of Customers. Unless otherwise provided in the contract, the Customer shall not resell the electric energy provided under this Regulation. Any customer desiring to resell electric energy received under the terms of this contract shall be required to enter into a sub-metering service provider contract with the District.

1. Effective Date of Contracts

All service contracts shall take effect from the day they are signed, and rates will be charged and bills rendered from the date the premises are connected with electrical power.

2. Term of Contracts

All service contracts shall be binding and, unless otherwise specified, shall continue in effect until after notice of discontinuance is filed in the office of the District.

3. Customer's Protection

No inspector, agent, or employee of the District may ask, demand, receive, or accept any personal compensation for any service rendered to Customers of electric power, or other persons, in connection with supplying or furnishing electric power by the District.

4. Obligations of District to be in Writing

No promise, agreement, or representation of any employee or agent of the District with reference to furnishing of electric power shall be binding on the District unless the same shall be in writing, signed by the Manager in accordance with the provisions in these Regulations.

5. Liability for Violating Provisions of these Regulations

Any person violating any of the provisions of these Regulations shall be prosecuted in accordance with applicable laws; and in addition, the service of any person found guilty of violating the provisions of these Regulations may be disconnected, and the person violating shall be liable for all damage and expenses incurred by the District and for all electric power used by reason of such violation.

6. Requirement to Meet Building Code Standards

No building shall qualify for service connection if it does not meet or exceed any Regional, State, County, Municipal, or District building code or energy-efficiency standard.

B. SERVICE NOT COVERED IN RATE SCHEDULES

Service may be supplied to Customers not coming within the scope of the regular Rate Schedules of the District; provided that such service shall be covered by separate contract, which may be subject to provisions of the District's power purchase agreements, and shall be approved by the Commissioners of the District.

C. DELIVERY POINT

A delivery point will be established by the District for each customer, generally the meter for a residential customer.

D. TAX ADJUSTMENT

The amount of the total of any or all revenue, kilowatt hours, or other form of tax imposed by any municipal, federal, or state taxing body upon the District, may be apportioned by the Commission of the District according to the territory in which such tax or taxes may be effective and amongst the various different classes of service furnished therein, and shall constitute an additional charge to any amounts which may be billed to any Customer under any rate schedule or special contract covered by these Regulations.

E. DISCONTINUANCE OF SERVICE

The District reserves the right to cut off the supply of electric power and discontinue service in the event the Customer:

1. shall fail to comply with the District's Service Regulations; District facility access requirements or provisions of the Service Contract, or,
2. after due-process, non-payment of a District invoice. Service may be disconnected by the District at any time to prevent fraudulent use or to protect its property. Reconnection will occur after satisfactory remedy to the District. (Also see Section 8, Items C.2 and C.3.)

F. BOARD OF COMMISSIONERS

The Board of Commissioners of Jefferson County PUD establishes policies for the District. Any customer who wishes to comment on, make a recommendation regarding a policy, or who disagrees with a decision made by District staff may address the Commissioners at a

regularly scheduled Board meeting.

G. APPLICABILITY OF DISTRICT ELECTRICAL SERVICE REQUIREMENTS AND FACILITY ACCESS POLICY

In addition to these regulations, the District's electrical service requirements and facility access requirements are also applicable to the installation, operation and maintenance of all District electrical facilities.

The Customer shall not permit access to District equipment or lines by anyone other than authorized representatives of the District. The Customer shall obtain and grant all necessary permission to enable District Representatives to install, maintain, service, or remove its facilities located on the Customer's property.

Facilities installed on Customer property will be in accordance with current District regulations, requirements, and policies that give consideration for present and future access.

The Customer shall keep the area around all meters, transformers, and other District facilities on the Customer's property free of vegetation, health and safety hazards, debris, and obstructions; to ensure clear and safe access at all times.

H. RIGHT TO REFUSE SERVICE

The District reserves the right to refuse to connect, or render service to, any applicant or any Customer where such connection and/or where the applicant or Customer has not complied with State, Municipal, or District Electric Service Regulations or requirements or facility access requirements concerning the rendition of service or has an unpaid obligation to the District.

I. RIGHT TO ENTER UPON PREMISES

The District shall have the right, through its agents or employees, to safely enter the property of the Customer at all times for the purpose of: reading, inspecting, repairing, or removing metering devices, appliances, and wiring of the District; trimming or removing trees and brush around meters, transformers, or other equipment that may interfere with the safe and efficient operation of the utility system; maintenance of utility lines, both overhead and underground; and inspection, replacement, installation and removal of District facilities.

J. NEW RESOURCES

The District receives an allocation of the federal-based system to serve Customers under the Tiered Rates Methodology referred to as the Bonneville Power Administration's (BPA)

Tier 1 Allocation. New or existing Customers with whose power requirements are projected to be greater than 1.0 MW of peak demand are subject to the PUD's "New Large Load Policy"

GENERAL RATE SETTING PRINCIPLE – Rates applicable to new large loads will include the estimated costs of service and incorporate provisions designed to recover the additional power-related costs incurred by the District as a result of the new large load customer taking electric service and the District having to purchase power in excess of its Tier 1 allocation from the Bonneville Power Administration ("Bonneville").

SECTION 3 -LINE EXTENSION REGULATIONS

A. GENERAL PROVISIONS

1. Location

Permanent line extensions will normally be built in the most direct route from the nearest source of supply. However, availability of easements and maintenance considerations may affect line routing. Placement of line extensions shall be at the discretion of the Manager of the District.

2. Not Assigned

3. Trenches

The Customer or Developer shall provide trenches to District specifications for all underground installations.

4. Easements

The Customer or Developer shall provide easements as required for the extension, in the location and the width specified by the District.

5. Ownership of Facilities

Ownership of any and all facilities constructed under the District's Line Extension Regulations shall remain with the Public Utility District NO.1 of Jefferson County, Washington. Ownership of Customer or Contractor installed extensions will begin when approved and energized by the District.

6. Increase. Maintenance and Upgrading of Facilities

Any costs incurred to provide any increase in facilities beyond those requested or needed to serve the load of an individual Customer or Developer (see Section 5.A) shall be absorbed by the District, provided that the Manager of the District shall be the final authority as to the size of facilities to be installed, and provided that certain standard and minimum facilities may be established as customary for District installation. Maintenance and upgrading of facilities for District purposes following initial construction shall be the responsibility of the District.

7. Not Assigned

8. Contracted Service Location

When a line extension is initiated by a Customer, the location on the property where service is requested shall become a part of the contractual agreement.

Acceptance of service by the Customer shall be deemed evidence of proper identification of that location. The Customer may modify the Contracted Service Location by notifying the District in writing prior to service first being connected at the site; and when such notification is acknowledged by the District, the new site shall become the Contracted Service Location.

9. Construction and Ownership of Extension

The Customer(s) shall bear the cost of the extension (as calculated by the PUD using existing extension fees and charges) in accordance with all specifications of, and subject to inspection and approval by the District. Electrical service will not be made available until all requirements are met by the Customer(s).

10. Proposal Cost

The District will provide line extension cost estimates to the Customer or potential developers.

11. Unit Costs

The District Manager will establish unit costs (exhibits "B" & "C") for components of the electrical system used in line extensions and a unit cost trench allowance. These costs will be changed as needed to reflect current expenses and policy.

12. Cost Accounting

The District will review the actual cost of each line extension. If the actual cost exceeds the estimate by more than \$100, the Customer may be invoiced for that amount in excess of the estimate; or if the estimate exceeds the actual cost by more than \$100, a refund of the excess will be made to the Customer.

B. RESIDENTIAL LINE EXTENSIONS

1. New Service Charge

The District's New Service Charge shall be paid prior to connection to District facilities, and shall provide for installation of a transformer, overhead service conductor installation, underground service inspection and connection, and the District's portion of the metering equipment for a service to a single-family residence.

2. Construction Costs

Where facilities construction is required to make service available to a single-family residence, the costs to the Customer(s) shall be determined as follows:

- a. The estimated cost of the facilities to be constructed by the District plus the New Service Charge will be determined by the District.
- b. The Customer(s) desiring service shall pay to the District the estimated cost of the facilities plus the New Service Charge.

C. COMMERCIAL LINE EXTENSIONS

1. New Service Charge

The New Service Charge shall be paid prior to connection to District facilities.

- a. For Commercial Accounts the District's New Service Charge shall provide for installation of transformers, overhead service conductors, underground service connection and the District's portion of metering equipment.
- b. Primary Metering. The cost of primary metering shall be paid by the Customer, unless such primary metering is required by the District for its benefit.

2. Construction Costs

Where facilities construction is required to make service available to a commercial account, the costs to the Customer shall be determined as follows:

- a. The estimated cost of the facilities to be constructed by the District plus the New Service Charge will be determined by the District.

b. The commercial Customer(s) desiring service shall pay to the District the estimated cost of the facilities plus the New Service Charge.

D. INDUSTRIAL AND LARGE POWER LINE EXTENSIONS

Line extensions for industrial and large power accounts shall be made by individual arrangement.

E. DEVELOPER LINE EXTENSIONS

Construction Costs A Developer requesting extension of electric lines in Conventional or Non-conventional Subdivisions or to provide service for manufactured home rental facilities or multi-family dwelling structures shall pay to the District the District's estimated cost of the required facilities prior to work being scheduled.

F. Not Assigned

G. IDLE FACILITIES

Line extensions will be owned and maintained by the District as long as customers utilize them for electric service. When it is determined that District facilities have been idle for a period of one year, the District has the right to remove the facilities or parts thereof. The District will attempt to contact the property owner to determine if he/she has a future need for the idle facilities. Customers who are not using any energy but wish to have the facilities available can do so by paying a monthly service charge as determined by the District.

SECTION 4 - DISTRICT'S OBLIGATIONS

A. Area Coverage

(a) The District shall make diligent effort to extend electric service to all unserved persons within the service area of the Borrower who (i) desire such service and (ii) meet all reasonable requirements established by the Borrower as a condition of such service.

(b) If economically feasible and reasonable considering the cost of providing such service and/or the effects on consumers' rates, such service shall be provided, to the maximum extent practicable, at the rates and minimum charges established in the District's rate schedules, without the payment of such persons, other than seasonal or temporary consumers, of a contribution in aid of construction. A seasonal consumer is one that demands electric service only during certain seasons of the year. A temporary consumer is a seasonal or year-round consumer that demands electric service over a period of less than five years.

(c) The District may assess contributions in aid of construction provided such assessments are consistent with PUD Policy.

B. INTERRUPTION OF SERVICE

The District shall exercise diligence and care to furnish and deliver a continuous supply of electric power to the Customer, but will not be liable for interruption or shortage of supply due to accident or conditions beyond the District's control. In the event of such interruption or shortage, the District shall not be liable for any loss or damage occasioned thereby, nor shall such interruption or shortage constitute a breach of its contract.

C. CLAIMS FOR DAMAGES

The District has a procedure to evaluate claims for damages. A Claim for Damages form will be provided to parties, at their request, who have experienced property damage as a result of District action or as a consequence of connection to District facilities. Provision of a claim form is not an admission of liability. The District will investigate each claim for damages and respond to the claimant.

SECTION 5 - CUSTOMER'S OBLIGATIONS

A. INCREASED USE

1. In order to prevent damage to the District's equipment and impairment of its service, the Customer shall give the District notice before making any additions to his connected load so that the District, at its option, may provide such facilities as may be necessary for the furnishing of increased service. Such additions include, but are not limited to, electric heating. The District reserves the right to limit service to any Customer.
2. When increased load requires underground service conductor must be changed, the Customer must pay the expense of the installation of the new conductor and conduit, and the District will provide reconnection to its facilities.
3. In cases where a Customer load increases enough at one time to require upgrading of District electrical facilities, the Customer will pay the charge set forth in the Schedule of Deposits and Charges. In cases where system upgrade to primary distribution, transmission, or substation is required, the Customer will pay the upgrade cost (subject to Section 3.A.6). (Exception: where the District determines that service conductor must be replaced with primary conductor to maintain adequate voltage for the original service panel size, the District will perform the work at no charge.) Where gradually increasing loads from multiple Customers requires upgrading of District electrical facilities, the upgrade will be at no charge to the Customers.
4. Customer shall notify the District in advance of any new load coming on line or increase in existing commented Customer load greater than 50kW, Customer may be subject to a special contract inclusive of specific terms and conditions associated with the energy, demand, shaping interconnection and usage patterns in accordance with Section 2, Paragraph J. Any increase of load in excess of 50 kW for more than two months in a consecutive twelve (12) month period may be subject to an increase in electric rates.

B. BALANCING OF LOAD

The Customer or contractor shall connect any equipment to keep the load, under normal operating conditions, balanced within plus or minus 10 percent of the average load across the phase wires.

C. CLAIMS FOR DAMAGES

If a customer believes that District action or connection to District facilities may have resulted in property damage, the customer should notify the District as soon as possible. The expense of contractor repairs and/or parts may not be reimbursed unless the District has first been contacted and had opportunity to respond to the situation. The District's

Claim for Damages form is available for use by the Customer and will be helpful in making certain all-pertinent information is provided.

D. ACCESS TO DISTRICT FACILITIES

The Customer shall not permit access to District equipment or lines by anyone other than authorized representatives of the District. The Customer shall obtain and grant all necessary permission to enable District Representatives to install, maintain, service, or remove its facilities located on the Customer's property.

SECTION 6 -SERVICE REGULATIONS

A. AVAILABILITY OF SERVICE

1. Customer Requests Service

A Customer, before proceeding with the wiring or installation of equipment, shall request a determination of the availability of service from the District.

2. Available Electric Service

The District will advise the Customer of the most suitable phase and voltage available on established circuits. Service will be installed, connected, supplied, and maintained in accordance with the District's Electrical Service Requirements and these Regulations.

3. Protective Devices

Suitable protective devices on the Customer's premises may be required whenever the District deems such installation necessary to protect its property or that of its other Customers.

B. TEMPORARY SERVICE

1. Availability

Temporary service will be supplied under applicable rate schedules and in accordance with the following conditions:

a. The Customer will pay in advance the estimated cost of furnishing and removing the required facilities, less the value of materials returned to stock; provided that where service conductors and a meter are required; the advance payment will be as set forth in the applicable Schedule of Deposits and Charges.

b. The Customer will pay for such service at the monthly rate applicable to the class of service.

c. Temporary service will be provided for three months from the date the service is connected to District facilities. The Customer may request continuance of temporary service annually thereafter, and the District may continue such service at the Manager's discretion. If continuance of temporary service is not determined to be safe, the Customer will be notified of termination of such service and will be given a reasonable time, not to exceed one year, to convert to a permanent service.

C. SERVICE INSTALLATION AND MAINTENANCE

1. Electric Service Requirements

The District's Electric Service Requirements are applicable to every service in addition to the subsections below.

2. Overhead Services

Overhead service conductors will be installed by the District and attached to a connection point, acceptable to the District, provided by the Customer on the Customer's facility. In the case of metering on a District pole, the District will attach its conductors to the pole and connect to the Customer's wiring thereon.

3. Service Poles

The District will furnish and install any service poles where they are required. Payment for service poles shall be as determined in Section 3 -Line Extension Regulations.

4. Underground Services

Underground service conduit and trench will be provided and installed by the Customer or contractor. The conductor will be provided and installed by the District. Residential underground service conduit must be installed to District specifications and inspected and approved by a District representative prior to backfill.

5. Maintenance of Services

a. The District will maintain the service conductors between the District's transformer and the connections on the source side of the customer's weather-head on all overhead residential, commercial and industrial services.

b. Residential underground service conductors installed to District specifications between a District facility and the Customer's meter will be maintained by the District.

c. Apartments and Condominiums. The underground service or services to any multi-unit residential structure or structures containing more than 4 individually metered dwelling units shall be classified as commercial with respect to the requirements of this section.

d. Commercial or industrial underground service installed from the District transformer to the customer's point of metering should be maintained by the customer or the customer's contractor at the customer's expense. The

District will assist, by request, in the maintenance by providing available resources at the customer's expense.

e. The Customer's point of metering of an instrument transformer installation is considered to be at the instrument transformer.

f. Whenever a Customer requests changes to the service that affect the maintenance responsibility, the Customer will be so advised.

g. Tree trimming from the transformer to the house is the customers responsibility.

D. SERVICE ENTRANCE

1. Location of Service Entrance

The applicant for service shall determine from the District the location of the service entrance and metering equipment. Any wiring installed without first determining service entrance and/or meter locations as covered above is done at the risk of having to relocate the service to conform with the requirements of the District.

2. Number of Attachments

All service entrances will be so located that the service conductors installed by the District will reach the service entrance by attachment at only one location on the building.

3. Specific Requirements

Specific requirements are contained in the District's Electrical Service requirements.

4. Clearance.

The Customer shall keep the area around all meters, transformers, and other District facilities on the Customer's property free of vegetation, health and safety hazards, debris, and obstructions; to ensure clear and safe access at all times.

E. CUSTOMER EQUIPMENT ON POLES

No equipment, devices, or wiring, other than service entrance equipment belonging to a Customer, shall be attached to District-owned poles except by special permission from the

District; and any such attachment shall be done strictly in accordance with District specifications and rates and charges.

F. DETERMINATION OF DEMAND AND REACTIVE

The District is upgrading its meter reading system. Once in place the PUD will bill using kVA charges.

G. POWER FACTOR ADJUSTMENT.

This District is upgrading its meter reading system. Once in place the PUD will bill using kVA charges

H. ENERGY EFFICIENCY

1. Cities and County Areas

The current Washington State Energy Code and the current Washington State Ventilation and Indoor Air Quality Code are considered District-wide minimum energy efficiency standards for the applicable structures requiring code compliance.

a. The District shall consider a certificate of completion or similar occupancy permit issued by a building official and recognized by the State of Washington or other official and/or agency approved by the District, as evidence of satisfactory compliance with the District's energy efficiency standards in lieu of verification by District representatives.

b. Failure to secure the proper inspections and/or to comply with the District's energy efficiency standards will result in denial of service or disconnection.

2. Federal and Tribal Areas

In those areas of the District's service territory not regulated by the State of Washington, the current Washington State Energy Code and the current Washington State Ventilation and Indoor Air Quality Code, as applicable to Group R occupancy, shall be considered the District's minimum energy efficiency standards. The standards shall be applied by the District in a way that parallels enforcement by the State of Washington for the purposes of regulating the distribution of electric energy in a uniform manner and providing for the actual and prospective needs of the District.

a. District representatives shall be notified and allowed access to verify compliance with the District's energy efficiency standards.

b. Failure to comply with the District's energy efficiency standards will result in assessment of an Energy Resources Surcharge in order to receive or maintain new or altered electrical service.

3. Manufactured Homes

The 1994 HUD Code will be the minimum energy efficiency standard for manufactured homes in the District's service territory.

Manufactured homes that do not meet the minimum standard will be assessed an Energy Resources Surcharge at the time of application for electric service (see Schedule of Deposits and Charges).

a. Manufactured homes connected to District electric service are exempt from the surcharge when relocating within the service territory.

b. Manufactured homes that do not have permanently installed electric heat and are heated with other fuels or are non-residential are exempt from the surcharge.

c. Manufactured homes heated with a heat pump are exempt from the surcharge. Surcharge fees collected will be placed into the Conservation Resources Acquisition Account for installation of energy conservation measures.

SECTION 7 -CONNECTION OF MOTORS TO DISTRICT FACILITIES

A. GENERAL

Approval of the District is required before installation of any single-phase motor exceeding 7.5 horsepower.

B. Not Assigned

C. INDUSTRIAL MOTOR LOADS (COVERS ALL OTHER APPLICATIONS)

Industrial motor applications, up to and including 10 horsepower, are permitted to be started across the line. Motors over 10 horsepower require starting facilities which are subject to approval by the District.

SECTION 8 -DEPOSITS, CHARGES, PAYMENTS AND BILLING

A. DEPOSITS – The PUD Board has adopted the use of a technology-based screening tool called ONLINE Utility Exchange to assess credit risk at the point of application and charge deposits only to those potential customers and existing customers who pose credit risk.

1. Residential

A deposit may be required from a residential Customer, unless the Customer has established a satisfactory credit record with the District or as determined by District information obtained from ONLINE Utility. The deposit shall be as set forth in the District's Schedule of Deposits and Charges.

2. Nonresidential

A deposit may be required from a nonresidential Customer unless the Customer has established a satisfactory credit record with the District. The amount of such deposit will be determined by the District after consideration of estimated billings (see Schedule of Deposits and Charges).

3. Additional or New Deposits

Nothing in these rules shall prevent the District from requiring additional or new deposits when conditions warrant.

4. Refund of Deposits

At the discretion of the District, deposits may be refunded or credited to an account when the Customer, by prompt payment of all bills rendered over a period of one year or more, has established a satisfactory credit rating. Deposits will be refunded upon termination of service after all outstanding amounts due the District have been paid.

B. CHARGES

Payment of charges, as set forth in the applicable Schedule of Deposits and Charges, will be required of all customers.

C. PAYMENTS

1. Bills Payable Within Twenty-one (21) Days

All bills, for service rendered and minimum charges, are due when rendered and payable within twenty-one (21) days from the date of mailing, unless otherwise

specified, and if not so paid, become delinquent and subject to disconnection as outlined in Section 8, Item C.5.

2. Delinquent Payments

When a Customer develops a history of delinquency with the District in that billings are not paid within a twenty-one (21) day period as stipulated above, and further, are not paid within a thirty (30) day period following the date of mailing for two or more occasions, which need not be consecutive, the District may, at its option, require a deposit as security and/or require said Customer to make scheduled payments (on a monthly, or more frequent basis) to bring the account to a current status, and, therefore, said Customer may be required to assume monthly payments on an Average Payment Plan.

3. Average Payment Plan

"Average Payment Plan" shall be interpreted to mean that the Customer shall pay an estimated amount each month on or before a specified date; said account and date to be determined by the Manager of the District, beginning approximately one month following the scheduled reading of the Customer's meter, and continuing on a regular monthly basis thereafter, and if not so paid, the amount may be deemed delinquent and subject to disconnection as outlined in Section 8, Item C.5.

At the option of the General Manager, new Customers of the District, including all Customers who have not established credit with the District, shall be required to make monthly estimated payments on all utility bills according to a payment schedule determined by the District and presented to the Customer upon signing for utility service, or as soon thereafter as is practicable. Such monthly payments are due on the date established, and if not so paid, shall result in the account associated with said payments becoming delinquent and being subject to disconnection as outlined in Section 8, Item C.5.

4. Right to Disconnect Service

The right to discontinue service for default, as defined in Section 8, Item C.1, may be exercised whenever and as often as default shall occur; and neither delay nor omission on the part of the District to enforce this rule at anyone or more times shall be deemed a waiver of rights to enforce the same at any time, so long as the default continues.

5. Notice of Pending Disconnection

Written notice will be sent to a customer by first class mail at least five (5) days before service is discontinued under this regulation and will advise the Customer of the reason(s) for the disconnection action except in the case of fraudulent use of service, when the District may disconnect service without notice. For the purpose of

this regulation, notice shall be considered to have been given when placed in the United States mail addressed to the Customer at his address as shown on the District's records.

The District will attempt to provide additional notification approximately 24 hours prior to the disconnection through automated phone equipment when phone service is available or with field-delivered door hanger notice. (note: there will be a charge for notice hanger).

When it is necessary, in the opinion of the District, to mail a collection notice to any Customer (in addition to regular billing statement and/or monthly payment cards), a charge of the actual cost to the District may be added to the Customer's bill, in order that collection costs may be paid by those Customers creating said costs.

D. RETURNED CHECK CHARGE

An accounting service charge (Returned Check Charge), as set forth in applicable Schedule of Deposits and Charges, may be made to a Customer if a check tendered to the District as payment for utility service is not honored by the Customer's bank because of insufficient funds, the bank account's having been closed, or other irregularity.

E. FIELD COLLECTION CHARGE

It is not the District's policy to allow for Field Collections.

F. CUSTOMER'S RIGHTS

1. Informal Conference

A Customer who disputes the amount of a bill when due, or who does not intend to pay the full amount of the bill or invoice when due, shall have the right to an informal conference with certain designated employees in the District.

a. Informal conferences shall take place during the normal working hours -- 8:30 a.m. to 5:00 p.m., Monday through Friday.

b. The Customer may either appear in person in the District's office or confer by telephone.

c. Such designated employees shall have the authority to reach agreements with the Customer for a deferred payment schedule of the particular bill.

2. Appeal Hearings

If a Customer is not satisfied with the determination of the District's designated employee during the informal conference, the Customer may schedule a hearing with the District Hearing Officer.

a. The Hearing Officer and any Deputy or Assistant Hearing Officers shall be management-level employees and shall be appointed by the Commission from employees whose other duties are not connected with the credit section.

b. A written appeal by a Customer must be filed with the Hearing Officer within five working days after the determination of the informal conference.

c. In response to a timely appeal, the Hearing Officer shall arrange an appeal hearing at a mutually convenient and accessible location or conduct the hearing by telephone. Such hearing must be scheduled during normal working hours --8:30 a.m. to 5:00 p.m. Monday through Friday, and within seven (7) days of receipt of the Customer's appeal.

d. If the Customer requests, a record will be made of the proceedings. The Hearing Officer may use a tape recorder or other means of preserving a record which he/she deems appropriate; the Customer may provide, at his/her own expense, a court reporter, or supplemental means of providing a record. The Customer shall have the right to counsel.

e. The Customer shall open the hearing with a statement of the nature of the appeal and shall present whatever evidence the Customer deems relevant. The Customer shall have the reasonable right to examine the records of the District relating to his/her account. After the Customer has completed presenting his/her appeal, the appropriate District personnel shall provide the District's position. The Customer shall have the right to rebuttal.

f. The Hearing Officer shall provide the Customer with a written decision setting forth (a) the nature of the Customer's appeal; (b) the decision of the Hearing Officer; and (c) the reasons for the decision of the Hearing Officer. The written decision shall be promptly sent to the Customer by certified mail and may also be communicated by telephone.

g. Service will not be disconnected while an appeal is pending provided that the Customer has complied with the above procedural requirements. The Customer shall have seventy-two (72) hours following the receipt of the written decision of the Hearing Officer to comply with the terms and conditions of the decision. If the Customer fails to take the action required by the Hearing Officer, including payment of a past-due bill, or if he/she refuses

to accept receipt of the Hearing Officer's decision, the District may disconnect service without further notice to the Customer.

G. RECONNECTION CHARGE

Whenever personnel have been dispatched to disconnect service as per these Regulations, a charge, as set forth in the District's Schedule of Deposits and Charges, will be made for restoring service. In the event that the actual cost of labor, transportation, and overhead to cover the expense of such restoration exceeds the designated charge, the Customer shall pay the actual cost.

H. METER TESTING

When a Customer inquires into his/her billing for any particular month, the District will, upon request have such meter reread and the service inspected for defects. Should the Customer then desire that the meter be tested, he/she shall be required to make a deposit, as set forth in the Schedule of Deposits and Charges, to cover the cost of making such test. The meter will then be tested.

Should the meter show an error of over five (5) percent, said deposit will be refunded to the Customer, the meter corrected, and the bill adjusted. If the test of such meter should show an accurate measure within five (5) percent, the deposit will be retained by the District to cover the cost of testing. Whenever it shall be determined that any meter has not been registering correctly, then an average bill may be rendered, based either on the nearest four preceding months' average use when the meter was in good order, or on the same month of the preceding year if the use is seasonal.

I. METER TAMPERING CHARGE

Any Customer receiving unmeasured or unauthorized electrical services is responsible for paying the full amount of said services reasonably determined by the District to have been diverted around the meter or received un metered or unauthorized due to meter tampering, alteration, or replacement.

A Meter Tampering Charge, as set forth in Schedule of Deposits and Charges, will be added to the estimated billing for unmeasured or unauthorized services to cover the expense of District equipment restoration. In the event that the actual cost of labor, transportation, and overhead to cover the expense of such restoration exceeds the designated charge, the Customer shall pay the actual cost.

J. METER READING, ESTIMATIONS

Meters will normally be read and bills rendered on a monthly cycle. Readings may be done electronically.

If, in the opinion of the District, inclement weather or other extenuating circumstances make it impossible for the District to read meters for a temporary period, the District reserves the right to estimate meter readings and render bills based upon such estimates. Estimates will be based upon account history and weather factors. Actual energy consumption will be confirmed and adjusted as necessary with a subsequent regular meter reading cycle.

Closing meter readings will be done within 5 days of being requested by the Customer.

K. BILLING

1. Regular Bills

Bills for the regular billing period will be rendered based upon the meter reading or estimate.

2. Closing Bills

Closing bills will normally be rendered within ten (10) days of the Customer requested disconnect date, or with the regular billing cycle.

3. Billing Error Adjustments

The customer is financially responsible for all electric energy or water passing through the meter. In the event of an error in billing, such as equipment failure or employee recording error, the District will make an adjustment to the billing on the basis of the best information available. In the event the adjustment is in favor of the customer (present or previous), the District will credit the customer account (or refund the credit with the request of the customer). The credit will be computed pursuant to Washington State Statutes of Limitation.

In the event the adjustment is in favor of the District, a retroactive billing to the customer will be provided. The retroactive billing computation will be limited to the most recent 6-month period prior to the time of the correction. The customer may choose to pay the retroactive billing over a period of time in agreement with the District.

SECTION 9 -VALIDITY AND EFFECTIVE DATE

A. VALIDITY

If any section, subsection, subdivision, sentence, clause, or phrase of these Regulations is for any reason held to be unconstitutional or void, such invalidity shall not thereby affect the validity of the remaining portions of these Regulations.

B. EFFECTIVE DATE

These Regulations are to take effect and be in force from and after the 1st day of January 2017.

ADOPTED by the Board of Commissioners at Public Utility District No.1 of Jefferson County, Washington, this 13th day of December, 2016.