

PUBLIC UTILITY DISTRICT 3
OF MASON COUNTY, WASHINGTON
ELECTRIC - SERVICE RULES AND REGULATIONS

1. GENERAL

The following rules and regulations have been adopted by Resolution No. 1708, dated April 24, 2018, and supersede all previous service rules and regulation whether adopted by resolution, policy or procedure.

No officer or employee of the District has any authority to waive, alter or amend in any respect these rules and regulations or any part thereof, or make any agreement inconsistent therewith.

The rates, rules and regulations herein are subject to modification or repeal in the manner prescribed by law, by the Commission of the District or by any other legally authorized body having jurisdiction.

2. DEFINITIONS

DISTRICT means Public Utility District No. 3 of Mason County.

PERSON means an individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, joint venture, partnership, association, or any other legal or commercial entity.

CUSTOMER means the person using or desiring to use Electrical Service.

ELECTRIC SERVICE is the furnishing or readiness to furnish electric power or energy in the form of 60 cycle alternating current at a nominal potential of 120/240 volts single phase or 240 volts three phase or other voltage agreed upon at the option of the District and for the purpose specified in the application for service or contract and rate schedule or schedules applicable thereto.

POINT OF DELIVERY is the point where the District's wires or apparatus are connected to those of the customer. Unless otherwise stipulated in the application for service contract, or rate schedules, such connection with overhead low voltage lines will be the point where the District's service wires are attached to the building or other structure under the control of the customer. (See definitions below for "District-owned equipment" and "customer-owned equipment" for further clarification.)

- District-owned equipment consists of, but is not limited to: Distribution power poles, vaults, pedestals, switch cabinets, overhead & padmounted distribution transformers and associated connections, primary conductor, overhead service

conductor (<600 volts), transformer-rated meter bases, current & potential transformers (used for special metering applications), and PUD 3 meters.

- Customer-owned equipment consists of, but is not limited to: Self-contained meter bases (used for both residential & commercial applications), single-phase & 3-phase underground service conductor (<600 volts), weatherheads, production meters (for net-metered applications only), and service panels.

Note: *Service power poles may be District or customer-owned depending on how the pole is utilized and the property it is installed upon.*

Note: *Any customer seeking additional clarification regarding District-owned vs. customer-owned facilities must inquire with an appropriately designated District representative in the department of engineering. Only designated District representatives are qualified to identify ownership of various electrical equipment. Customer-contracted electricians or other parties who work outside of the District are not qualified to determine what is District-owned and what is customer-owned and should therefore not be consulted regarding such matters. Neither the customer nor someone working on the customer's behalf will be allowed at any time to access District-owned equipment.*

LOAD FACTOR is the ratio of the average load to the maximum load for any given period of time.

POWER FACTOR is the ratio of the true power expressed in kilowatts to the apparent power expressed in kilovolt amperes.

MAXIMUM DEMAND is the greatest load taken by the customer in accordance with the rules governing each class of service. This demand is termed Maximum Monthly Demand or Maximum Annual Demand as it may be determined for the month of year. The method of determining Maximum Demand will be set forth in the various rate schedules.

MONTH (except where calendar month is stated) is the period intervening between monthly meter readings upon which the customer's demand and consumption are computed and bills rendered.

YEAR (except where calendar year is stated) is the period intervening between the date corresponding to the effective date of the contract and the same date of the following calendar year.

3. PERIOD OF CONTRACT

Service under all rate schedules, except where otherwise stipulated in the schedule, is subject to a minimum contract period of one year. For service for shorter periods see rules governing temporary service.

4. ENGINEERING APPLICATION FOR SERVICE

All prospective customers will be required to sign an application for the service desired and also establish their credit worthiness. Application must be made in writing to the local office of the District or to a duly authorized agent or employee.

An application fee will be required for all new service. The application fee is not refundable. *(See Fee Schedule A for Engineering Application Fee Amounts.)*

The application shall set forth all information that the District may reasonably require.

The application is merely a written request for service and does not in itself bind the District to serve, except under reasonable conditions, nor does it bind the customer to take service for a longer period than the minimum requirements of the rate schedule.

5. ESTABLISHMENT OF CREDIT - DEPOSITS

Customers may be required to pay a security deposit with the District to establish or continue service in the minimum amount of \$100.00 or an amount not to exceed the estimated amount for the two (2) highest billing periods combined at the location where electric service is requested.

The deposit requirement may be waived depending on the outcome of a satisfactory credit application and/or the customer's previous credit history with the District.

The District may require an existing customer to provide a security deposit, or increase an existing deposit, as a condition of further electric service under the following circumstances: 1) if the customer's payment record is unsatisfactory; 2) if the District learns that the customer has misrepresented his or her identity, such as in the case to avoid payment of an outstanding bill; 3) if the maximum billing for the two highest billing periods combined at the location increases; or 4) for other situations as determined by the District.

Deposits held by the District shall be non-interest bearing, and upon termination of service and payment of the accounts in full, refunded to the customer. Residential deposits shall be held by the District for a minimum period of one year and may be refunded at any time thereafter – solely at the option of the District.

If a customer with a security deposit moves their electric service to a new location, the District may transfer the deposit to the new service account and adjust the amount of the deposit based on customer's payment history, the estimated usage at the new location and/or the customer's historical usage.

The District at its discretion, may apply the security deposit toward past due accounts and/or charges known to be those of the customer.

The customer may at any time request a review of the account to determine whether the deposit should be refunded. The customer's payment record will have a major bearing on any decision to maintain or refund said deposit.

The District will also refund all remaining deposits at such time as customers permanently cease to use electric service and all amounts due to the District are paid.

6. SERVICE LIMITATIONS

Service shall be used exclusively for the purpose or purposes stated in the application for service and rate schedule or schedules, under which it is supplied.

Should it be ascertained that a customer is using service under any rate schedule contrary to the purposes stipulated in the schedule, including but not limited to violation of the rules and regulations and policies of the District, the District shall notify the customer that such use is contrary to the purpose and intent of the rate schedule and must be discontinued.

Should the customer fail to discontinue the contrary use of such service within a period of thirty (30) days after receiving such notification, the District may discontinue service to the customer under the rate schedule involved.

Each class of service to an individual customer will be supplied through one meter at one Point of Delivery.

Moreover, the District's rates are based upon the furnishing of electric service to a customer at a single Point of Delivery and at a single voltage and phase classification.

Each separately operated business activity and each separate building or residence will be considered an individual customer for billing purposes, except that if several buildings are occupied and used by one customer in the operation of a single business, the District will furnish service for the entire group of buildings through one service connection at one Point of Delivery, provided all such buildings are located on contiguous property not separated by other ownerships or divided by streets, roads, alleys or other public thoroughfares. Where different types of service are in use, the applicable rate schedule shall be determined by that class of service that creates the major consumption.

7. SERVICE CHARGES AND BILLING INFORMATION

SERVICE CHARGES: Service charges may be imposed for various reason. (*See Fee Schedule A for a full list of fees.*)

- a) *Account Set-Up Fee – Regular Hours:* When a customer requests transferring an account into their name at a new location, a set-up fee shall be billed. (*See Fee Schedule A for Account Set-Up Fee amount.*)

- b) *Account Set-Up Fee – After Hours:* When a customer requests the transfer of an account into their name at a new location after hours, an After Hours Account Set-Up fee shall be billed. (See Fee Schedule A for After Hours Account Set-Up Fee amount.)
- c) *Disconnect for Non-Pay –* Whenever it becomes necessary for a District representative to disconnect service for non-payment, a Disconnect for Non-Pay Fee shall be billed. (See Fee Schedule A for Disconnect for Non-Pay Fee.)
- d) *Field Collection Fee –* Whenever it becomes necessary for a District representative to make a field collection call at the customer’s premises to enforce payment of a billing or security deposit, a field collection shall be billed. (See Fee Schedule A for Field Collection Fee amount.)
- e) *Late Fee –* In the event the customer has not paid his/her bill or made satisfactory payment arrangements with the PUD within twenty-eight (28) days after billing, and said billing exceeds \$75.00, the customer will be billed a late payment charge on his/her account. Furthermore, if payment arrangements are not kept or if past due balances paid are not honored by the customer’s bank, a late fee will be assessed. (See Fee Schedule A for Late Fee amount.)
- f) *Advanced Meter Opt-Out Fee –* A charge will be paid by the customer who requests a manual meter read to cover the associated costs (including wages and mileage). In the case of customers who opt-out of automatic meter reading, the charge will occur monthly on their regular billing. (See Fee Schedule A for Manual Meter Read Fee amount.)
- g) *Meter Tamper Fee –* The customer is responsible to ensure that District equipment is not accessed or tampered with. In the event a customer (or someone working on behalf of the customer outside of the District) attempts to access District-owned equipment, that customer shall be charged a tamper fee plus actual costs. (See Fee Schedule A for Meter Tamper Fee amount.)
- h) *Reconnect for Non-Pay or Seasonal – Regular Hours:* A charge shall be paid by the customer for re-establishing service at the same location within twelve (12) months of discontinuance of service. This applies to accounts that have been cut for non-payment and/or requested by a seasonal customer. (See Fee Schedule A for Reconnect Fee amount.)
- i) *Reconnect for Non-Pay or Seasonal – After Hours:* When reconnections are made outside of regular working hours, the After Hours Reconnect Fee shall be applied. This charge shall be paid by the customer for re-establishing service at the same location within twelve (12) months of discontinuance of service. This applies to accounts that have been cut for non-payment and/or requested by a seasonal customers. (See Fee Schedule A for After Hours Reconnect Fee amount.)

- j) *Returned Payments Fee* – For payments tendered to the District that are not honored by the customer’s financial institution, the District will charge the customer an accounting charge. Such action may result in a special security deposit action. *(See Fee Schedule A for Returned Payment Fee.)*
- k) *Yard Light Reconnect Fee* – The customer will be charged a fee to reconnect a Yard Light if the light was removed within one year of the request to reconnect. *(See Fee Schedule A for Yard Light Reconnect Fee amount.)*
- l) *Service Line Disconnect at Customer Request*: A charge shall be paid by the customer for disconnecting service on the utility side of the meter. This applies to services that must be disconnected/reconnected by a lineman or serviceman as requested by a customer for customer work. *(See Fee Schedule A for Service Line Disconnect Fee amount.)*

BILLING: Bills will be rendered monthly, but are generated each work day of the month based on the District’s meter reading schedule.

DUE DATE: New charges are due by the due date which is set at 21 days from the bill date.

PAST DUE NOTICE: In the event the Customer has not paid his/her bill or made satisfactory payment arrangements with the District within twenty-eight (28) days after billing and said billing exceeds \$75.00, the District will send the customer a past due notice. The notice will inform the customer that his/her electric service may be disconnected on or after the seventh day from the mailing date of the notice if the past due portion is not paid within that time period. The notice also will inform the customer that if they are unable to pay the full amount or if they dispute the amount, the customer has the right to an informal conference.

BILLING AND DISCONNECTION DISPUTES: The customer will be responsible for timely reviewing of the billing statement and the district will not be responsible for, and the customer releases and holds the district harmless from, any claim arising out of or resulting from an inaccurate billing, except that the district shall correct and adjust such inaccurate billing. Any Customer disputing a bill or disconnection notice may request an informal conference by telephone or in person at the District's offices. The Customer is entitled to present his/her position to the District's designated employees for handling of billing or disconnection disputes. In the case of disputed bills the designated employee has the authority to review and recommend adjustments concerning the amount of the bill. Decisions concerning final adjustments of the disputed bill are made by the manager or his/her designee.

PAYMENT ARRANGEMENTS: Customers with bona fide temporary financial difficulties that make payment of past-due bills impossible may contact the designated employees to make a reasonable and feasible deferred payment program. The deferred payment program will be based on the amount, the duration of the delinquent account, and the

credit history of the Customer. Every effort will be made to work out an acceptable payment program with Customers having financial difficulties, including helping the customer acquire financial assistance through various outside aid programs. Failing to comply with a payment program will subject the Customer to disconnection of service without further notice.

PRE PAY ACCOUNTS: PrePay accounts are billed at the same rate as the other customers in their respective rate class. The daily billing includes the daily system charge, plus energy consumption, and any relevant monthly service or device charges in addition to taxes. PrePay account balances are calculated daily and customers are responsible to ensure a credit balance on the account in order to avoid disruption of service. PrePay customers will not receive a monthly billing, incur late fees, or receive a past due notice. Payments can be made in any amount, however service that has been disconnected due to a credit balance being depleted will not be reconnected until account credit of at least \$50.00 has been reestablished. PrePay customers are not eligible for payment arrangements, budget billing, or bank draft.

BILL PAYING WITH BANKCARD OR AUTOMATED CLEARING HOUSE: Customers are able to pay his/her electric bill automatically each month via automated clearing house (checking or saving) or bankcard (credit card). When this method of payment is selected, the bill amount will be drafted or charged on the due date.

In the case of automatic electronic payments, district staff will attempt to contact the customer prior to the expiration of their bankcard to ensure uninterrupted service. However, it is the responsibility of the customer to ensure valid information is on file.

Denied bankcard payments and denied drafts from checking/savings accounts will be processed similar to NSF checks; the same charges shall apply. See "Fee Schedule A" for the Returned Payment fee.

Customers with a credit balance on a closed account will be sent a refund check.

BANK CARD MAXIMUM PAYMENT: Payment amounts by bankcard shall not exceed \$5,000 per month per customer's electric or wholesale telecommunication account, merchandise account, or service extension payment

HEARING OFFICER: If the Customer is not satisfied with the decision through the informal conference, they have the right of appeal the decision to the District's hearing officer (the hearing officer is designated by the manager and approved by the Board of Commissioners).

A notice of appeal shall be made in writing, in person at the District's office, or by telephone within 10 calendar days of the informal conference. At the appeal hearing, the Customer shall have the right to present the nature of his/her appeal and whatever evidence is considered relevant.

District personnel shall present the District's position to the hearing officer. A decision will be issued by the hearing officer (if so requested, the decision will be written setting forth the reasons for the decision). If the Customer fails to comply with the terms and conditions of the hearing officer's decision within two (2) days or if they fail to respond in any way to the District's request for payment, the District may disconnect the service without further notice. The customer has the right to ask the District's Board of Commissioners to review the hearing officer's decision. The Board, in its discretion, may affirm, modify or reverse the hearing officer's decision.

COLLECTION OF UNPAID CLOSED ACCOUNTS: Unpaid accounts may be referred to a collection agency. Per RCW 19.16.500, agency fees are payable by the Customer.

BILLING ADJUSTMENTS: When the District discovers that an error has occurred in the metering of a Customer's account (including but not limited to a faulty installation or administration of a metering system), the District shall:

1. Determine within reasonable accuracy what the actual usage of electricity would have been had the error not occurred. Under most circumstances, the determination will be limited to a recalculation for a maximum of seventy-two (72) months. If the District determines that the Customer has been overbilled, it shall issue a refund. If the District determines that the Customer has been under billed, it may pursue a claim.
2. Before pursuing a claim, the District shall make a reasonable cost/benefit analysis, taking into consideration the amount owned by the Customer against the projected staff time that will be expended to fully process the claim and make recovery. If that analysis results in a determination that there would not be no net recovery or only a nominal recovery, the under billed amount shall be written off.
3. When a Customer is required to pay a claim, the Customer may enter into a payment arrangement at the District's discretion. The term of the payment arrangement shall not exceed the amount of time that the error went undetected.

ESTIMATED BILLS: Occasional circumstances prevent the District from obtaining a meter reading during a month. In these cases meter readings will be estimated and "Estimated Billing" is printed on the customer's bill. The District will estimate a customer's usage based on the length of the billing cycle, previous usage for corresponding billing periods and weather conditions. Any difference between estimated and actual usage will automatically be corrected on the next bill when an actual read is obtained.

RENTAL STANDBY AGREEMENT: Rental standby accounts are established at the request of the property owner or property manager for the purpose of keeping the power connected and in the owners or property manager's name during the times that the residence is not being rented. The owner/property manager who signs the Rental Standby Agreement agrees to be responsible for and pay all bills for service between termination

of service by one tenant and establishment of service by a new tenant. The rate applicable to the location while occupied shall apply for the interim period. A set-up fee shall be charged to the owner/property manager each time an account is placed back in their name. (*See Fee Schedule A for Set Up Fee amount.*)

WINTER WEATHER DISCONNECT MORATORIUM: Between November 15 and March 15, the District will include with all disconnection notices, the rights, obligations and responsibilities of low-income customers who seek shut-off protection under R.C.W. 54.16.285.

OTHER CHARGES: These charges are in addition to any and all other charges required by any other schedules and are for the purpose of defraying the actual costs involved and thereby relieving the general ratepayer from these special costs.

8. CONTRACT VIOLATIONS

The District, in addition to all other legal remedies, may suspend the delivery of service for any default of a service contract or any violation of these rules and regulations. Prior to suspension of service, the District will provide forty-eight (48) hours written notice stating the nature of the contract default or violation; Provided that, no notice need be provided in the following circumstances: 1) theft or unauthorized use of electricity, 2) a short circuit on the customer's side of the Point of Delivery, or 3) where the service poses an imminent risk to persons or property. Failure of the District to suspend service, or to terminate a contract, or to resort to any other legal remedy, shall not affect the District's rights to resort to any such remedies for the same or any future default, breach or violation by the customer.

9. RIGHT OF ACCESS AND RIGHT OF WAY - CUSTOMERS' PREMISES AND EQUIPMENT

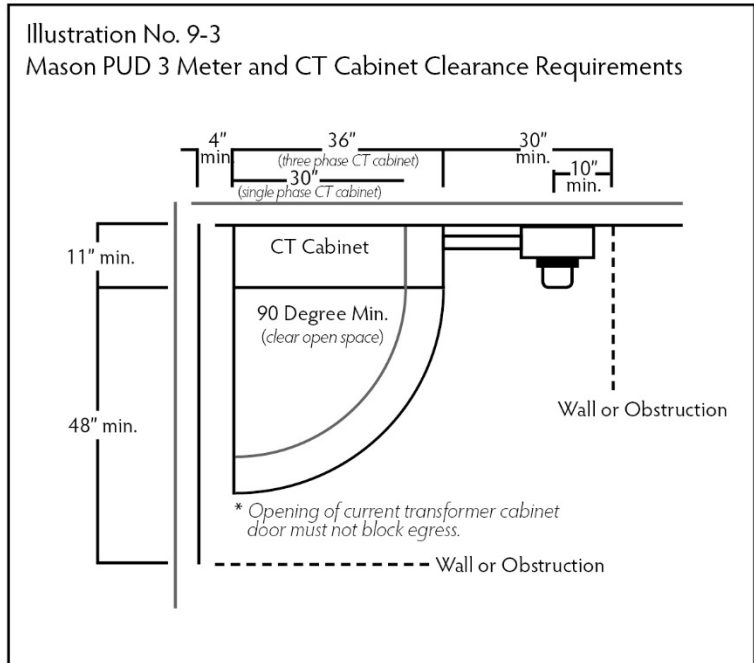
(a) The customer's wiring, conduits, machinery, or appliances shall be installed in accordance with good practice and in compliance with all governmental regulations.

Where no electrical inspection is required, the District may connect the Customer without inspection, but in doing so the District assumes no liability or responsibility that the installations are made in accordance with the requirements of law or any other rules that may legally govern. Should any electrical installations be rejected by any inspector having authority to do so the District may discontinue its service, without recourse on the part of the customer(s) until the defective conditions have been remedied.

(b) It is in the mutual interest of both the Customer and the District to provide a suitable location resulting in the most convenience to both parties for reading, testing, and replacing meters. The minimum unobstructed working space required in front of a single meter is (78) inches high, (30) inches wide, and (36) inches deep, as required by NEC 110-26. Metering equipment installed in a cabinet requires a minimum space of (48) inches in front of cabinet door to allow for opening. (See Illustration No. 9-3)

Install meters outdoors at a location acceptable to the District.

- Generally locate the meter on the side of the structure closest to District power lines or within 10 feet of the front (street) side to prevent meters from being located behind fences.
- Avoid installations on exterior bedroom or bathroom walls or patios as well as exterior walls that are likely fenced in.
- Never install the meter over window wells, steps in stairways, over open pits, near moving machinery, in the path of water from eaves or rain spouts, or in a location subject to steam or corrosive vapors. Do not install meters in other unsafe or inconvenient locations.
- Keep shrubs and landscaping from obstructing access to the meter.



Set the center of any meter socket to no more than (6) feet or less than (5) feet above the finished grade or floor immediately in front of the meter, except for the center of meter sockets in pedestals which are set for a (42) inches minimum above finished grade. In the case of vertical, gang-meter bases, set the center of the lowest meter socket to no less than (42) inches above the final grade.

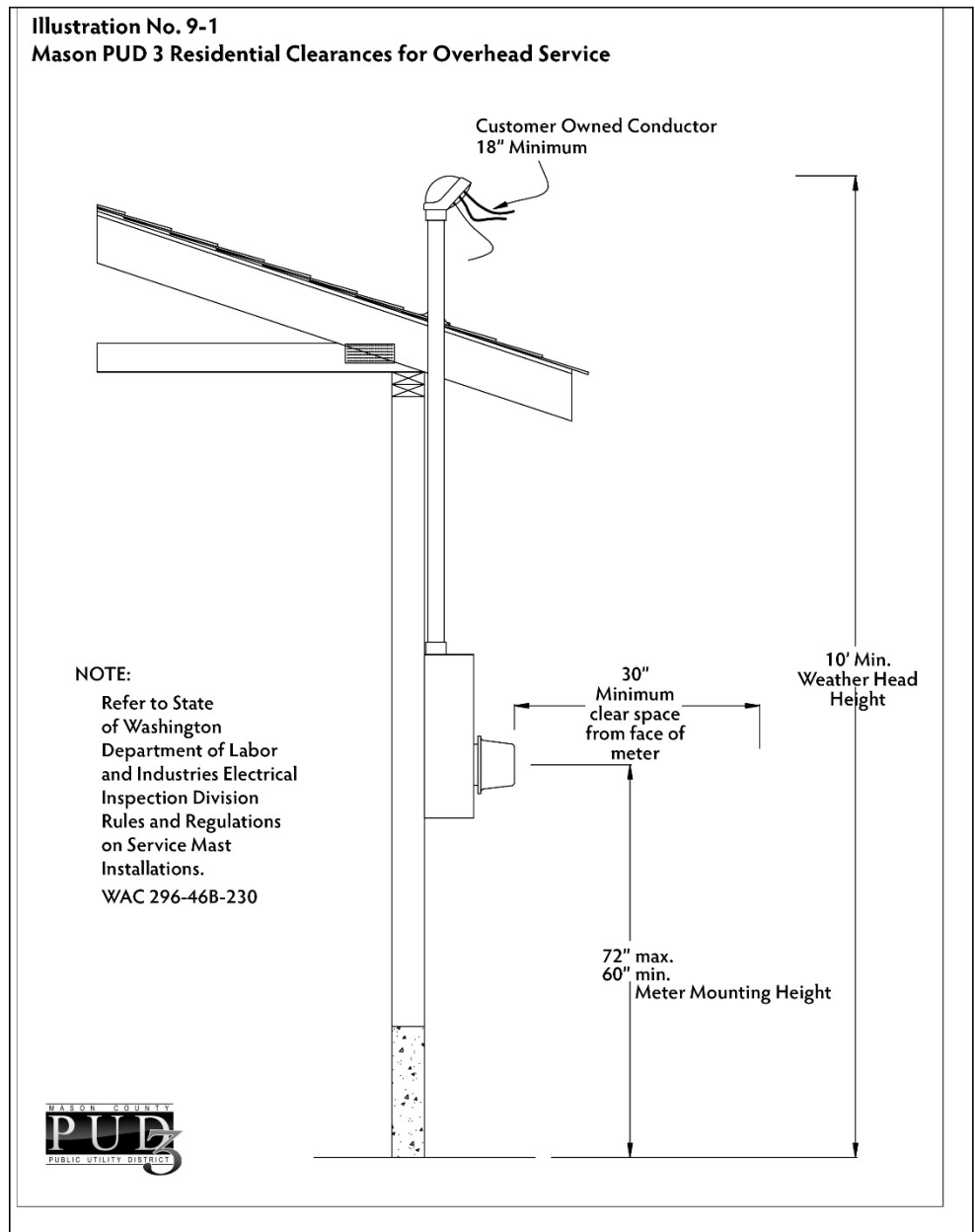
If a customer makes a meter inaccessible at any time (in the opinion of the District) such as by installing a fence or enclosure, or by intentionally obstructing the radio frequency communication signal from the meter, the Customer must, at his or her own expense,

provide access acceptable to the District or move the meter socket to a location that is acceptable to the District.

Service Limitations: When a customer's meter is judged by the District to be in a hazardous and/or inaccessible location, the customer shall, within thirty (30) calendar days after receipt of written notice by the District, move said meter base to an acceptable location. Failure to comply will result in termination of service.

(c) The customer shall be responsible for the property of the District on his/her premises and shall permit no unauthorized person to tamper with it. Customers whose service conductors, meters, and/or meter seals have been tampered with (including work by a licensed electrician other than a PUD electrician), or as an attempt to connect power, divert power or to reconnect themselves after a

disconnection for non-payment, shall be charged a meter tampering fee. (See Fee Schedule A for Meter Tampering Fee amount.)

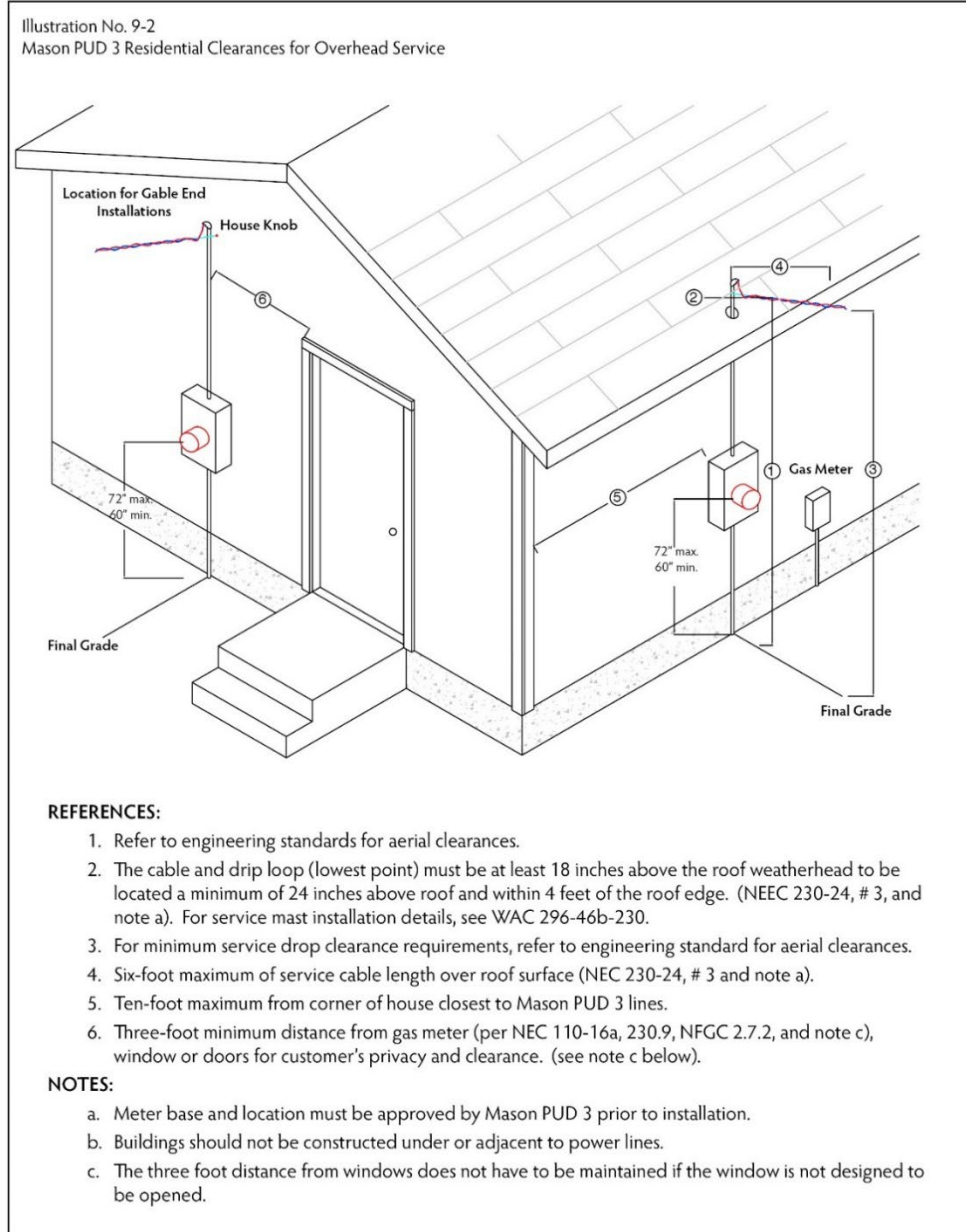


(d) If a customer chooses to opt-out of the use of advanced meter technology, the District will replace the meter with a non-transmitting solid-state meter of its choice.

(e) The District will periodically test and inspect its meters to ensure a high standard of accuracy. A Customer may request additional meter tests to be made and, if the meter is found to register correctly, the customer shall pay for said test. (*See Fee Schedule A for Test Fee amount.*) If the meter is found to be over two (2) percent in the District's favor, the electric bill will be adjusted over a period not to exceed seventy-two (72) months and no charge will be made for the testing.

(f) All new service entrance conductors must be run from the service entrance switch to a point on the outside of the customers' buildings so that the District's service connection is not less than ten (10) feet from the ground. (See Illustration No. 9-1 and Illustration No. 9-2)

(g) Service entrances from overhead lines must be brought out at a point on the building where they will be most readily accessible from the District's distribution system. Customer's service entrance conductors must extend at least eighteen (18) inches beyond the weatherhead or last insulating support belonging to the customer. Weatherheads shall be of sufficient height from the ground so that no part of the District's service wire crossing any street, alley or driveway, will be less than required by applicable codes. (See Illustration No. 9-1 and Illustration 9-2)



Where buildings are so low that this condition cannot be attained, intermediate supports approved by the District must be provided by the customer. So far as possible, service entrances shall be brought out in such a manner that the District's service wires will not come in contact with trees, nor cross property other than that occupied or owned by the customer. In all cases of doubt, the District shall be consulted before the customer's installation is made.

(h) The District, upon request of the customer, shall provide and install private meter poles. The charge for such installations shall be determined by the District based upon

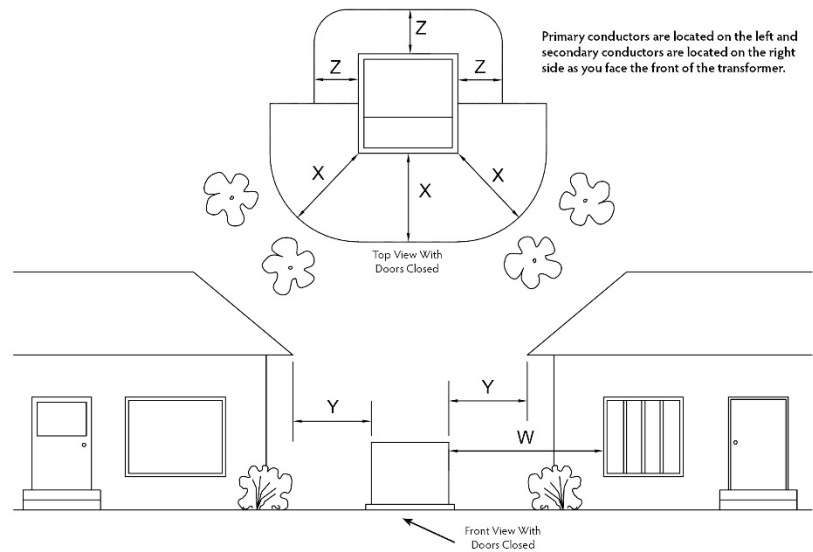
the District's Service Extension Policy. The District will allow, at the manager's option, the installation of the customer's service equipment on the District's poles. The District at this same time will assume responsibility for any and all existing service poles that have District-owned service wires attached thereon.

The responsibility of transferring, removing or installing such customer-owned equipment for any reason or purpose will remain the customer's.

(i) Underground services from overhead lines will be made only at the expense of the customers and shall be owned and maintained by them. Underground services shall be made with insulated wires run from the service entrance switch to a point on the District's pole to be designated by the District. Should the District have occasion to remove or change the location of a pole upon which there is an underground service, the customer shall bear the expense of changing his/her service to a new location designated by the District.

(j) As a condition of service, customers must provide access for PUD personnel at all times to PUD facilities located on the Customer's property. This includes maintaining roadways or driveways suitable for driving heavy equipment (including ingress and egress). Bridges on private property are considered the responsibility of the customer receiving power. If the customer has a locked entry gate, they must provide the current key or code to allow the District to access material and equipment owned by the District. Denial of access to the District's equipment may result in termination of service.

Illustration No. 9-4
Mason PUD 3 Minimum Distance Required From Pad



MINIMUM DISTANCE REQUIRED FROM PAD:

- W. = 8 ft. to any windows or doors on all non-combustible structures.
- X. = 10 ft. clear area in front of unit to allow use of hot sticks (See Note b.).
- Y. = 10 ft. from any structure or roof overhang consisting of combustible material. 3ft to non-combustible structure or roof overhang consisting of combustible material.
- Z. = 3 ft. clear area in back and sides of unit to allow working on equipment.

NOTES:

- a. Consult State requirements and local building and fire codes for more customer information.
- b. Locate front of padmounted transformer away from building walls or other barriers to allow for safe working practices. Doors of enclosures and transformers must face towards the driving access unless otherwise approved. If front of transformer must face wall, allow 10 feet for working clearance. No vegetation in this work space is permitted.
- c. Consult Mason PUD 3 for any additional required clearances to building doors, windows, fire escapes, air vents, etc.
- d. Where exposed to motorized vehicles, the customer must install and maintain PUD 3 approved barrier to protect padmounted transformer and other equipment.
- e. Locate transformers within 10 feet of a maintained drivable surface, unless otherwise approved by Mason PUD 3.
- f. All distances shall also apply to tree trunks and major root systems.

The customer shall also permit access, at all reasonable hours, to an authorized representative of the District for the purpose of reading, inspecting, testing, removing, exchanging or repairing the meters or other property of the District installed on the customer's premises, or for the purpose of ascertaining the use which the customer is making of the service (such as pad mount transformers). (See Illustration No. 9-4)

(k) Customers shall assume all responsibility on their premises for any electrical energy supplied by the District. The District shall be exempt from liability for loss of damage of whatever nature caused by leakage or loss of electricity furnished by the District after the same has passed the Point of Delivery and shall be exempt from all liability for damage caused by unavoidable accident or casualty, extraordinary action of the elements, strikes or interruptions caused by government action or authority, litigation or by any cause which the District could not reasonably have foreseen, or when such interruptions are necessary, for repairs or changes in the District's lines, plants or other equipment.

(l) The customer shall give written notice to the District of any change in installations, altered services or additional load so that the District may provide proper facilities for the changed requirements.

Improper use of the District's facilities and contrary use of service under any of the District's rate schedules may result in disconnection of service.

Failing to notify the District of changes in a Customer's load for new or altered service or additions to an existing service constitutes violation of District rules and regulations.

The Customer shall be liable for any damages caused to the District's facilities by increased load unless the Customer provides advanced written notice to the District and the opportunity for the District to upgrade its facilities to accommodate the increased load.

(m) The removal of an existing mobile home and replacement with different mobile home without notification to the District constitutes a change installation under (j) above.

(n) Wherever service is supplied by means of overhead lines owned by customers, such lines shall be built and maintained in accordance with all applicable rules and regulations governing the construction, operation and maintenance of overhead electric distribution lines.

Customers owning overhead lines are required to make a written acknowledgement of their ownership, and also to release the District from any responsibility for any loss or damage to person or property that may be caused by such lines. Should any customer-owned line become deteriorated to the point where it no longer complies with applicable rules and regulations, the District may disconnect them until the necessary repairs or replacements shall have been made.

(o) Should any public authority having jurisdiction order the relocation, removal or abandonment of any pole or conduit line belonging to the District, then the customers receiving the service from such pole or conduit line shall be required to rearrange their wiring so as to receive service from other pole or conduit line from which service may be available. Customers will be given thirty (30) days written notice that the District has been required to remove its pole or conduit line, and, at the expiration of such notice, the District may remove its pole or conduit line or appurtenances without liability to the customers who have failed to rearrange their wiring.

10. INTERRUPTION OF SERVICE

The District will endeavor to provide adequate and uninterrupted service but cannot, and will not, ensure that power will be continuous.

In order to repair and maintain the District's facilities the services will be suspended when the District in its discretion deems appropriate.

11. CHARGES FOR TEMPORARY SERVICE

All schedules contained in this tariff, except where otherwise provided in individual schedules, are based upon continuous use for a period of twelve (12) consecutive months.

If any customer does not use service continuously at a single location for a period of twelve (12) consecutive months, the District may require the Customer to pay a two months minimum charge for the class of service furnished.

12. SHORT TERM SERVICE

Short term service refers to service to of a impermanent nature.

The District will, if in its opinion the furnishing of such service will not work as it presents an undue hardship upon it or its existing customers, furnish short term service under the following conditions:

(a) Each applicant for short term service shall be required to pay the District in advance or otherwise, as the District may elect, the net cost of installing and removing any facilities necessary in connection with furnishings of such service by the District.

(b) Each applicant for short term service may be required to deposit with the District a sum of money equal to the estimated amount of the District's bill for such service at its regular filed rates, or to guarantee otherwise in a manner satisfactory to the District, the payment of any bills which may accrue by reason of such service so furnished or supplied.

(c) Nothing in these rules and regulations shall be construed as limiting or in any way affecting the right of the District to collect from the customer any other or additional sum

of money which may become due and payable to the District from the customer by reason of the short term service furnished or to be furnished hereunder.

13. MOTORS AND APPLIANCES

Individual motors in excess of seven and one-half (7½) horsepower will not be served single phase except at the option of the District. Motors and appliances individually rated in excess of two (2) KW will be served only at 240 volts. Voltages above 240 volts will be supplied only at the option of the District.

14. RESALE OF ENERGY

Unless otherwise specifically provided in the schedule or by contract, each of the District's rate schedules is based on furnishing service for the exclusive use of a single customer at a single location and through a single meter, if metering is required. The customer will not sell to others any power or energy furnished by the District.

15. SERVICE EXTENSION POLICY - Schedule No. 5

It is the policy of the Public Utility District No. 3 of Mason County to provide electric service and service extensions to all customers within its service area, provided that such service extensions are feasible, economically justifiable, environmentally sound (or desirable), and comply with the applicable service extension conditions.

It is further recognized that each service extension is unique. Accordingly, each extension may be subject to District review with consideration of those special conditions. Moreover, the District may, when conditions warrant, build service into new territories and specify by resolution factors that will apply, over a given period of time, to new service extensions off of the new feeder service to the new territory.

A. DEFINITIONS

- (1) APPLICATION FEE shall be defined as the basic fee all applicants for new services must pay prior to the District preparing an estimate and installing facilities. The Application Fee will be applied to the cost of the project that is carried forward to completion. If the project does not go forward, the Application Fee will cover the cost for filing the application for service and preparing the estimate for installation of facilities. The Application Fee is not refundable in any amount. *(See Fee Schedule A for Engineering Application Fee amounts.)*
- (2) DEDICATED EASEMENTS shall be defined as feasible corridors that have been legally dedicated to utility services along a private road or other acceptable route.
- (3) EXCESS SERVICE shall be defined as new or additional facilities requested by a customer which are greater than needed to serve the present load requirements.

- (4) EXTENSION PAYMENT shall be defined as the costs of the project that the applicant shall be required to pay. The payment shall be the total cost of the project.
- (5) INDETERMINATE LOAD shall be defined as requests for District facilities to serve unknown loads such as speculative ventures, property which is for resale but lacks permanent facilities, etc.
- (6) LATECOMER SHARING PAYMENTS ("Sharing") shall be defined as payments that new customers must pay for the right of connecting to a portion of a previous extension. These payments are in addition to the Extension Payment.
- (7) PERMANENT RESIDENCE shall be defined as any structure designed for human habitation, meeting applicable building codes and for which a building permit has been issued for residential occupancy. Any other structures not meeting these requirements are considered non-permanent.
- (8) PUBLIC RIGHTS-OF-WAY shall be defined as franchised county, city, or state roadways, highways or streets within the right-of-way and with established adjacent utility corridors which are maintained by public agencies.
- (9) SPECIAL CIRCUMSTANCES CONTRACT shall be defined as a written agreement under which an applicant agrees to pay all costs of the project with a down payment and follow-up payments (plus interest set by the District Commission) and/or a guaranteed flow of revenues to the District. Such contracts may also be allowed for special conditions that an applicant may agree to that would be beneficial to the District. The conditions may include installation of special equipment that will affect end-use efficiency, removal of trees that threaten District facilities, easement concessions, etc. Contracts shall be considered on a limited basis or as a last option alternative and must be approved by the Commission.
- (10) SYSTEM CAPACITY FEE shall be defined as the cost of the project that the applicant shall be required to pay which is designated for the capital costs associated with the construction and maintenance of substation infrastructure and related distribution facilities. These payments are in addition to the extension payment. (*See Fee Schedule A for System Capacity Fee amounts.*)

B. GENERAL CONDITIONS

- (1) The applicants for new electric service extensions must own, have a contract to purchase, or have a satisfactory lease to the property or premises before the District will provide the service extensions.
- (2) Service extension applicants shall be responsible for furnishing to the District easements for construction, operation, and maintenance of the extension facilities including tree trimming rights.
- (3) All permits, franchises, state, federal and local requirements must be obtained and/or satisfied prior to construction of any extension. (Refer to section C. (1) (d) of this policy.)
- (4) Costs that exceed the standard designs (Excess Service) shall also be borne by the applicant.
- (5) Added load will be considered as new load under Section C and Section F except that the Application Fee will not apply.
- (6) The District will determine the most feasible route and application of permanent extensions to new customers. More costly alternative routes will be considered Excess Service.
- (7) The Application Fee will cover the first estimate and one revision that are created by the applicant. Each additional revision will require a Revision Fee. The total amount of Application Fees received (including any revision fees) will be applied to the cost of the project that is carried forward to completion. However, in the event the project costs less than the amount received as Application Fee, no amount of the Application Fee or Revision Fee is refundable. (See Fee Schedule A for Engineering Application and Revision Fee amounts.)
- (8) Refunds of Extension Payments or adjustments to contracts may be made if the actual cost of the project is significantly less than the estimated cost. Any extra cost created by customer delays or alterations after construction has commenced will be borne by the customer.
- (9) All customer-furnished equipment, installations and work shall comply with the District's standards and testing.
- (10) The applicant may do his/her own construction or use his/her own private contractor for constructing the service extension (except for terminations) after it is designed by District engineers.

Equipment to be installed must be bought from the District, at the District's replacement price plus handling costs, or meet the District's specifications and be

installed using the District's standards. A state inspection will be required of the installation unless a District inspector is on site while installation of equipment takes place. For a District inspection, the customer will pay the cost of inspection to the District.

The extension will be deeded to the District upon satisfactorily passing inspection by District personnel to guarantee the extension meets required standards. Along with a deed, the customer must sign a warranty on equipment repairs for a one-year period. If the customer retains ownership of the equipment, they will pay for the installation of primary metering and be responsible for all repairs.

If work is to be performed under a contract the customer has with another person or construction business, such contractor must comply with chapter 39.12RCW, prevailing wages.

- (11) The District reserves the right to be the final arbiter in all decisions regarding this policy.

C. EXTENSIONS TO ALL APPLICANTS

- (1) The District will extend service for Permanent Load to applicants under the following conditions:
- (a) The applicant pays the Application Fee. *(See Fee Schedule A for Engineering Application Fee amounts.)*
 - (b) Once the total estimated cost of the project has been determined, the applicant must make the required service Extension Payment, to include the System Capacity Fee. This must be done prior to commencement of the project.
 - (c) If the extension is to be underground, the applicant shall be responsible for providing all underground secondary wire, trenching, backfilling, clearing, conduit, and restoration on private property, and in most instances, in public rights-of-way. Under these circumstances, the District will obtain the necessary right-of-way permits and help coordinate the above referenced work with the applicant. However, the applicant is responsible for all location of underground facilities in instances where the applicant is paying for underground facilities. In instances where the District furnishes the underground facilities in Public Rights-of-Way, coordination with the applicant will be made to use common contractors and equipment where practical. (See Illustration No. 9-3 for clearance information)
 - (d) Section E (Sharing) and Section F (System Capacity Fee) of this policy does apply to section C.(1).

D. SERVICE EXTENSION FOR LAND DEVELOPERS, LAND DEVELOPMENTS, SPECULATIVE DEVELOPMENTS AND SUBDIVISIONS

- (1) This section of the service extension policy applies to all developments governed by Mason County ordinances regarding plats, short plats, long plats, short subdivisions, mobile and trailer parks, and all other developments where three or more contiguous lots, tracts, plots, or parcels of land have been sold or are offered for sale by a Person.
- (2) The developer or owner shall pay to the District, prior to construction, the entire estimated costs of the distribution facilities (backbone system) that are necessary to make electric service available to all the lots, tracts, plots, or parcels of land within the development.
- (3) The District shall engineer the service project for the complete serving of all lots within the entire development, and shall install partial facilities to serve only immediate needs or requests after the entire development has been designed.
- (4) The individual lot owners shall apply to the District for the installation of the transformer, private extension of primary across their particular parcel and service drop. Underground service conductor shall be the responsibility of the individual lot owners.
- (5) Section E of this policy (Sharing) does not apply to this section (D) with the exception of D. (4).
- (6) A Special Circumstances Contract may be utilized at the discretion of the District, for applications submitted within the District's service territory. (Section F of this policy (System Capacity Fee) may apply.
- (7) Applicants for service under this section shall not restrict extensions to adjacent properties by refusing property easements.

E. SHARING

Customers who, pursuant to this policy, have made a service Extension Payment may receive benefit by the subsequent connection of additional customers but only on that portion of the primary extension paid for by the payment under the following terms:

- (1) The Sharing shall be on any Extension Payment which in total exceeds \$300 for that portion of the extension not on applicant's private property.
- (2) The Sharing option is available to all applicants from the time service is available under the following conditions.

- (a) If that portion of the Extension Payment under E. (1) is \$2,000.00, then the sharing option will be available for a five (5) year period. If no sharing occurs during that five-year period, then the sharing option will continue for two (2) additional years or until there has been one (1) sharing in the final two (2) year period.
- (b) If that portion of the Extension Payment under E. (1) is \$2,000.00 to less than \$5,000.00, the sharing option will be available for a five (5) year period. If no sharing has occurred during that five (5) year period, the sharing option will continue for five (5) additional years or until there has been one (1) sharing in that final five (5) year period.
- (c) For Extension Payments \$5,000.00 or greater, the sharing option will be available for a ten (10) year period. If no sharing has occurred during that ten (10) year period, the sharing option will continue for five (5) additional years or until there has been one (1) sharing in that final five (5) year period.
- (3) Shares shall be computed based on footage of the portion of the line (built by Extension Payment money) to be used by the additional customer(s). The District will compute the share(s) amount and will refund it to the prior customer(s) who paid. Refunds to any one customer will not exceed the original payment minus \$150. No portion of the Application Fee used toward the Extension Payment will be refundable or used in computing the amount of sharing available.

F. SYSTEM CAPACITY FEE

Customers who connect a new load or increase load on an existing service are required to pay a System Capacity Fee which is designated for capital costs associated with the construction and maintenance of substation infrastructure and related distribution facilities. The fee is proportionate to a customer's impact on the system. Fees are calculated using the ampacity rating of the meter base, and/or service entrance rating. Public schools (K-12) are exempt from the System Capacity Fee. (*See Fee Schedule A for System Capacity Fee amounts.*)

ELECTRIC - SERVICE RULES AND REGULATIONS

Revision Log

Service Rules & Regs Adopted: February 10, 2015	Originally Adopted by Resolution No. 1639	New Service Rules & Regs
Revised February 9, 2016	Revised by Res. No. 1657	Clearance Language Clarified & Manual Meter Reading Fee added
Revised March 29, 2016	Revised by Res. No. 1663	Added ACH & ACC to section 7
Revised May 10, 2016	Resolution No. 1664	Added Service Line Disconnect Fee
Rate Schedule Revised October 01, 2016	Resolution No. 1649	Rate Increase Adopted Sept. 22, 2015
Revised November 8, 2016	Resolution No. 1673	Schedule 41 Decorative Lighting LED Addition
Revised April 25, 2017	Resolution No. 1682	Line Extension Policy & Fee Schedule Update to include System Capacity Fee (effective May 1, 2017)
Revised May 23, 2017	Resolution No. 1684	Changed income requirements in Schedule 12D, added Schedule 12S, and added PrePay Account language.
Revised April 24, 2018	Resolution No. 1708	Added language regarding PUD 3 equipment and access – Modified Fee Schedule A.
Revised September 24, 2019	Resolution No. 1743	Rate Increase (daily system charge) and revising certain rate schedules only (12, 20, 21, 24, 61) and adding Schedule 27 for Electric Vehicle Chargers
Revised November 24, 2020	Resolution No. 1761	Energy rate and daily system charge increase for schedule 12. Demand rate increase for schedules 21 & 61. Energy and demand rate increase schedule 27. Schedule 41 clarifying language.
Revised November 23, 2021	Resolution No. 1776	Energy rate and daily system charge increase for schedule 12 and schedule 20. Increase Demand rate for schedule 61. Adjust energy rate in schedule 27 (electric vehicle chargers)
Revised November 22, 2022	Resolution No. 1790	Rate schedules modified effective April 1, 2023.