



KAY ELECTRIC COOPERATIVE

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Rate Schedules and Tariff Sheets

Approved September 2, 2022

Or as indicated on rate index

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STANDARD LINE EXTENSION

I. GENERAL

The standard extension policy is one part of the Cooperative's general body of rules and regulations governing the furnishing of service to its members and customers. The standard extension policy should be considered in conjunction with the provisions of the Cooperative's various rate schedules and other provisions of the Terms and Conditions of Service. The application of the extension policy to the various situations and types of customers is outlined below. This supersedes all previously issued directives concerning the extension policy.

The following line extension guidelines are to be followed for all line extensions:

1. Every extension shall at all times be the property of the Cooperative, regardless of whether a deposit or contribution is made in aid of its construction.
2. In arriving at the length of electrical line extension necessary to render service at any point, the distance from the point of delivery to the nearest electric distribution line shall be measured along lines of probable construction and shall be measured from the nearest electric distribution line to the point of delivery.
3. The consumer agrees to purchase electrical power from the Cooperative during the term of the power agreement.
4. It is the responsibility of the applicant to clear trees out of the necessary right-of-way, so the line extension can be built.
5. It is the responsibility of the applicant to secure the right-of-way easements for the line extension.
6. It is the responsibility of the applicant to pay for any surveying costs.
7. The contract minimum for all extensions shall be the applicable rate schedule minimum plus any facility charges, unless otherwise stated.
8. If the applicant disconnects service for any reason during a contract term, the Cooperative shall require immediate payment of the sum of the remaining monthly payments.

II. DEFINITION OF PERMANENT RESIDENTIAL SERVICE

The Cooperative at the applicable residential rate for such service shall serve permanent residences within the service area of the Cooperative, or within a municipality served by the Cooperative. Permanent residence is defined as a residence on a permanent foundation, located on property owned by the applicant for service, containing kitchen appliances and other facilities used for residential services including connection to a permanent water supply and State approved sanitation system. A mobile home must also have the tongue, wheels and axles removed and a skirting installed to qualify as a permanent residence. Lake cabins and vacation homes are not classified as permanent residences and extensions shall follow the guidelines set forth in section VIII.

III. FREE OVERHEAD PERMANENT RESIDENT EXTENSION

The standard free overhead extension to a permanent residence shall be 300 feet measured along lines of proper construction as determined by the Cooperative.

IV. OVERHEAD PERMANENT RESIDENT EXTENSION ABOVE FREE LIMIT

Any overhead permanent resident extension requested above three hundred (300) feet in length shall be reviewed using an economic justification formula. The applicant shall pay a contribution-in-aid of construction for any cost of overhead line extension above the Cooperative's economically justified free limit. The Cooperative shall collect all fees and contributions before the line extension is to be constructed.

V. SITE BUILT HOMES – CONTRACT TERM FOR PERMANENT RESIDENT

For a site built home or modular home the contract term shall be for ten (10) years. A twenty (20) year economic justification formula shall be used.

VI. MOBILE HOMES – CONTRACT TERM FOR PERMANENT RESIDENT

For a trailer house or mobile home, the contract term shall be for five (5) years. The contract minimum shall be the same as for a site built home. A five (5) year economic justification formula shall be used.

VII. PERMANENT RESIDENT UNDERGROUND EXTENSIONS

The applicant shall pay all cost of the underground primary or secondary line extension above the Cooperative's economically justified free limit amount.

Single-phase, 120/240 volt underground secondary service from an overhead distribution system shall be provided by the Cooperative, at the request of the property owner in accordance with the provisions set forth below.

STANDARD LINE EXTENSION
(continued)

The Cooperative shall furnish, install and maintain the underground service conductors from a pole in its overhead system to the meter base or such other point of delivery as approved by the Cooperative, provided soil conditions are suitable and underground construction is economically feasible for the Cooperative.

The owner shall:

1. Provide a right-of-way easement satisfactory to the Cooperative.
2. Pay the cost of conduit, ditching, sanding and back filling to require specifications.
3. Pay the cost of boring under streets, obstacles or obstructions plus the cost of any conduit required for placement therein.

When an obstruction has been placed that denies the Cooperative access to its underground facilities for maintenance purposes, the applicant or current owner of the property shall:

1. Permit the Cooperative access to the premises.
2. Pay the cost of removing and replacing the obstruction.
3. Pay the cost of modification of the underground facilities necessary to eliminate the obstruction.

VIII. FARM/NON-COMMERCIAL AND NON-PERMANENT RESIDENT SINGLE PHASE – OVERHEAD & UNDERGROUND EXTENSIONS.

The applicant is responsible for paying one hundred percent (100%) of all line extension costs.

For a one to three-year contract term, the length of the term being at the discretion of the Cooperative, the applicant shall pay one hundred percent (100%) of the line extension costs before the Cooperative can begin construction. The cooperative has the option to offer a longer contract term, where the applicant may pay a portion of the cost of the extension before construction and pay the remainder through a facility charge as determined by the Cooperative, which would include interest charges. The maximum contract term shall be five (5) years.

IX. COMMERCIAL/THREE-PHASE FARM – OVERHEAD & UNDERGROUND EXTENSIONS

The applicant is responsible for paying one hundred percent (100%) of the line extension cost.

For a one to three-year contract term, the length of the term being at the discretion of the Cooperative, the Applicant shall pay one hundred percent (100%) of the line extension costs before the Cooperative can begin construction. The Cooperative reserves the option to offer a longer contract term, where the applicant may pay a portion of the cost of the extension before construction and pay the remainder through a facility charge as determined by the Cooperative, which would include interest charges. The maximum contract term shall be five (5) years. Upon the General Manager/CEO's approval, the contract term may be extended to a maximum of ten (10) years for a special project needing a longer commitment.

X. GENERAL CONTRACT PROVISIONS FOR LARGE LOADS

The Cooperative shall take into consideration the following when preparing contracts to serve large loads:

1. Investment in extension of facilities to serve.
2. Estimated annual revenue produced by the load
3. Terminated risks, including duration of service and customer's credit.
4. Initial term of the contract.
5. Unusual fluctuation of disturbances to the Cooperative's system.
6. Special equipment necessary to provide non-standard voltage or above normal continuity of service.
7. Other load characteristics, seasonal or otherwise.
8. Removal costs less salvage value.

XI. TEMPORARY SERVICE

When a temporary service is required by an applicant, the Cooperative shall require that the applicant pay all of the cost of installing and removing the service. Temporary service is defined herein as any service required for a period less than twelve (12) months.

XII. NON-USE OF ELECTRIC SERVICE

If the service is not being used at a location and at least the minimum monthly charge for the applicable rate paid each month, the electric service will be subject to removal, and at the convenience of the Cooperative, this service will be retired. The Cooperative may retire the service without notification, if the service has been disconnected for three years or more.

STANDARD LINE EXTENSION
(continued)

XIII. RELOCATION OF FACILITIES

The Cooperative shall evaluate each request for relocation of electric facilities by considering the following:

1. The total cost of relocation of facilities
2. Is the relocation needed to provide better service to an increasing load?
3. Is the relocation a benefit to the Cooperative?
4. Is the relocation a benefit to the customer?
5. Is the relocation for only the customer's aesthetics?

The customer is to pay one hundred percent (100%) of the cost for the relocation if it is purely for aesthetics. The Cooperative shall determine the cost the customer shall pay for the relocation of facilities.

XIV. CONVERSION OF SERVICE

The customer shall pay for the conversion of a service to a different type of service, or service capacity. The Cooperative may consider a longer contract term for a cost justification for any single-phase residential or single-phase farm/non-commercial account needing a service upgraded.

TERMS AND CONDITIONS OF SERVICE

DEPOSITS ON BILLS

The Plan for requiring deposits as a protection against loss on bills from this Cooperative is as follows:

RESIDENTIAL AND FARM ACCOUNTS

REQUIRED DEPOSITS

1. New Applicants for service

A deposit of up to one-sixth (1/6) of the estimated annual bill will be required except in the following instances:

- A. When the consumer applicant has had an account with Kay Electric for twelve (12) consecutive months out of the last eighteen (18) months, and during those twelve (12) months, payment of the account was not late, returned or denied and customer has not been disconnected for non-payment.
- B. When the consumer applicant at some time earlier than the previous eighteen (18) months has been a consumer of Kay Electric Cooperative, and had a satisfactory credit history or when other circumstances exist that allow waiving all or part of the deposit requirement by the authority of CEO or Chief Operating Officer.
- C. When the consumer presents a letter from the previous supplier of electricity that their records show the consumer was not late in the previous twelve (12) month period. (If a deposit has already been collected, it will be refunded upon a satisfactory letter of credit.)

2. Present Consumers

A present consumer shall be required to post a deposit as a condition of continued service if undisputed charges have become delinquent or if the consumer has had service terminated for non-payment by the authority of the CEO or Chief Operating Officer.

ANNUAL REVIEW OF ACCOUNTS FOR DEPOSIT ADEQUACY

On or about June 1 of each calendar year, an annual review of deposits shall commence and be completed by the following June 30. During this review, deposits shall be refunded if, during the preceding twelve (12) months, payment of undisputed charges has been "satisfactory".

Satisfactory payment will be deemed to have occurred if, during the last twelve (12) months, payment after the due date has not occurred and no payments were returned or declined.

COMMERCIAL AND INDUSTRIAL ACCOUNTS

REQUIRED DEPOSITS

A deposit of up to one-sixth (1/6) of the estimated annual bill will be required on all commercial accounts plus any estimated potential wholesale demand obligations for large power contracts. Estimated bills shall be determined based upon contracted capacity with a Load Factor that is typical for the characteristics of similar loads.

FORMS OF DEPOSITS

Deposits can be in the form of cash or, if in an amount equal to or larger than \$3500, approved bank letters of credit or approved surety bonds. No interest will be paid on deposits secured by sources other than cash.

PAYMENT OF INTEREST ON CASH DEPOSITS

1. Interest on deposits shall begin to accrue from the date of the payment of the deposit, and at the rate to be determined by Kay Electric Cooperative Management but not less than the rate prescribed by the Oklahoma Corporation Commission in its General Rules and Regulations Governing the Operations of Electric Utilities. No interest shall be paid on a deposit held less than thirty (30) days.
2. No interest will accrue on a deposit after final termination of service.
3. At termination of an account, accrued interest will be applied to bills in the settlement of accounts, or if necessary, a check will be drawn to close the account.
4. On continuing accounts, interest will be determined up to June billing during the annual review of deposits, and applied as a credit to current billing.

TERMS AND CONDITIONS OF SERVICE
(continued)

APPLICATION OF RATES

The Cooperative's published rate schedules state the conditions under which each is available for electric service.

The Cooperative will determine at any time, upon request, for any customer the rate best adapted to existing or anticipated service requirements as defined by the customer; but the responsibility of choice between two or more rates lies with the customer.

Rates are established on a twelve-month basis and a customer having selected a rate adapted to his service may not change to another rate within a twelve-month period unless there is a substantial increase or decrease in the load requirements.

No minimum may be lowered nor a rate changed to one that will produce lesser revenue during the initial term of a contract which resulted in an extension of facilities of the Cooperative.

BILLING ADJUSTMENTS
APPLICABLE TO ALL RATE SCHEDULES

POWER COST ADJUSTMENT

The foregoing charges shall be increased or decreased by the amount in cents or fractions thereof by which the average cost of power per kWh determined by the calculation as stated below.

PA minus $(PC-BC) \times 1 / (1-B)$

Where:

PA Power Cost Adjustment to be made per kWh billed

PC Power cost to be Determined:

WFEC billing demand units (kW) from the actual Annual 3 Coincidental Peak (CP) Average demand set during the latest three-year peak seasons plus 12-month CP Average, each multiplied by current WFEC prices for kW billing demand plus all energy, fuel, gross receipts, plus any set demand cost not yet billed and any other charges or credits related to WFEC charges plus the cost of load control credits provided to members, divided by total kWh's purchased.

BC Base Cost of Power established with 2013 Cost of Service equaling 61.186 mills.

B The average percentage of power losses expressed decimally for the 12-months ended with the previous months, as shown in the Cooperative's financial statements and/or supporting documents.

TAX ADJUSTMENT

All stated rates shall be subject to current and/or an increase or decrease of taxes which the Cooperative may be obligated to collect currently or hereafter be required to pay, which are levied, imposed, increased or decreased by law. This also includes any franchise tax or fees established by a municipality.

GROSS RECEIPTS TAX

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. After the computation of all charges, the total bill so computed will be adjusted to recover this tax. Currently, the tax rate is two percent (2%). All charges, including minimum charges, shall be multiplied by 1.02 to arrive at the net bill.

TERMS OF PAYMENT

The monthly bill shall be at the net rate and there shall be added to the total net bill a sum equivalent to five (5%) of the net bill, but not less than \$5.00, for late payment, which shall be collected from the consumers paying after the due date. The monthly bill is due and payable at the office of the Cooperative within ten (10) days after the bill is generated and mailed or presented online for the consumer to view if they have turned off paper billing. If the consumer shall fail to pay within such ten-day period, the Cooperative may discontinue service by giving five (5) days' notice in writing.

Consumers signed up for automatic payment will have their balances automatically drafted from their designated account on the date stated on their bill. That date will be the due date for the appropriate cycle billing or the next banking day, whichever is later.

FARM AND RESIDENTIAL SERVICE

AVAILABILITY

Available to Farm and Residential Consumers for farm and residential uses, subject to the established rules and regulations of the Cooperative. This rate is not applicable for multiple residences through a single meter nor for a residence in which a portion of the dwelling is regularly used for business and professional service.

TYPE OF SERVICE

Single-Phase, 60 Hertz, at available secondary voltage.

MONTHLY RATE

Summer (Bills rendered in the months of May through October)

Service Access Fee	\$ 20.00 per month
Energy Charge	\$ 0.1090 per kWh

Winter (Bills rendered in the months of November through April)

Service Access Fee	\$ 20.00 per month
Energy Charge: First 1,000 kWh	\$ 0.1090 per kWh
Energy Charge: Over 1,000 kWh	\$ 0.0990 per kWh

MINIMUM CHARGES

The minimum monthly charge shall be the highest one of the following:

1. A charge of \$ 25.00 per month where transformer capacity of 15 kVA or less is required.
2. A charge of \$ 25.00 per month plus \$1.00 per kVA or fraction thereof where transformer capacity in excess of 15 kVA is required.
3. Minimum as stated in Agreement for Purchase of Power.

ADJUSTMENTS

Power Cost Adjustment

The above rate may be subject to an increase or decrease due to a power cost change from our power supplier.

Tax Adjustment

This rate shall be subject to all taxes which the Cooperative may be required to collect, including any franchise tax or other fees.

Gross Receipts Tax

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

Terms of Payment

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.

COMMERCIAL 1 (C1)

AVAILABILITY

Available for commercial, industrial and farm services up to 30 kVA of transformer capacity, for all uses including lighting, heating and power, subject to the established rules and regulations of the Cooperative.

MONTHLY RATE

Service Access Fee	\$ 40.00 for single-phase \$ 65.00 for three-phase
PLUS	
Demand Charge	\$ 5.50 per kW of billing demand
Energy Charge	\$ 0.092 per kWh

DETERMINATION OF BILLING DEMAND

The contract demand used for billing purposes shall be the kilowatt demand as indicated on a 15-minute maximum demand meter for the month for which the bill is rendered.

MINIMUM CHARGE

The minimum charge shall be the highest one of the following charges:

1. The total of the service access fee, demand charge, energy charge and applicable taxes.
2. Minimum as stated in Agreement for Purchase of Power.

ADJUSTMENTS

Power Cost Adjustment

The above rate may be subject to an increase or decrease due to a power cost change from our power supplier.

Tax Adjustments

This rate shall be subject to all taxes which the Cooperative may be required to collect, including any franchise tax or other fees.

Gross Receipts Tax

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

TERMS OF PAYMENT

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.

COMMERCIAL 2 (C2)

AVAILABILITY

Available for commercial, industrial and farm services over 30 kVA of transformer capacity and up to 150 kVA of transformer capacity for all uses including lighting, heating and power subject to the established rules and regulations of the Cooperative.

MONTHLY RATE

Service Access Fee	\$ 65.00 for single-phase \$ 90.00 for three-phase
PLUS	
Transformer kVA Charge	\$ 0.50 per all kVA over 30 kVA
Demand Charge	\$ 5.50 per kW of billing demand
Energy Charge	\$ 0.0825 per kWh

TRANSFORMER kVA CAPACITY CHARGE

A monthly charge of \$0.50 per kVA for all transformer kVA capacity in excess of 30 kVA.

DETERMINATION OF BILLING DEMAND

The contract demand used for billing purposes shall be the kilowatt demand as indicated on a 15-minute maximum demand meter for the month for which the bill is rendered, but shall not be less than 10 kW and not less than sixty-five percent (65%) of the highest kilowatt demand so supplied during the previous eleven (11) months.

MINIMUM CHARGE

The minimum charge shall be the highest one of the following charges:

1. The total of the service access fee, transformer kVA charge, demand charge, energy charge and applicable taxes.
2. Minimum as stated in Agreement for Purchase of Power.

ADJUSTMENTS

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The bill will be adjusted to correct for power factors lower than ninety percent (90%), when the Cooperative deems necessary. Such adjustment will be made by increasing the total bill by one percent (1%) for each one percent (1%) by which the power factor is less than ninety percent (90%) lagging. The Cooperative reserves the right to measure such power factor at any time during a period of maximum demand.

Power Cost Adjustment

The above rate may be subject to an increase or decrease due to a power cost change from our power supplier.

Tax Adjustments

This rate shall be subject to all taxes which the Cooperative may be required to collect, including any franchise tax or other fees.

Gross Receipts Tax

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

TERMS OF PAYMENT

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.

COMMERCIAL 3 (C3)

AVAILABILITY

Available for commercial, industrial and farm services for all uses including lighting, heating and power, over 150 kVA of transformer capacity and subject to the established rules and regulations of the Cooperative. This rate is to be used for all commercial grow facilities over 150 kVA of transformer capacity, regardless of total kVA size. This rate is to be used for all primary metering points.

TYPES OF SERVICE

Single and/or three-phase, 60 Hertz, at standard voltages.

MONTHLY RATE

Service Access Fee	\$ 85.00 for single-phase \$ 110.00 for three-phase
PLUS	
Transformer kVA Charge	\$ 0.50 per all kVA over 250 kVA
Demand Charge	\$ 11.00 per kW of billing demand
Energy Charge	\$ 0.0730 per kWh

TRANSFORMER kVA CAPACITY CHARGE

A monthly charge of \$0.50 per kVA for all transformer kVA capacity in excess of 250 kVA.

DETERMINATION OF BILLING DEMAND

The contract demand used for billing purposes shall be the kilowatt demand as indicated on a 15-minute maximum demand meter for the month for which the bill is rendered, but shall not be less than 22 kW and not less than sixty-five percent (65%) of the highest kilowatt demand so supplied during the previous eleven (11) months.

MINIMUM MONTHLY CHARGE

The bill minimum monthly charge shall be the greater of the following charges:

1. The total of the service access fee, transformer kVA charge, demand charge, energy charge and applicable taxes.
2. Minimum as stated in Agreement for Purchase of Power.

BILLING ADJUSTMENTS

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The bill will be adjusted to correct for power factors lower than ninety percent (90%), when the Cooperative deems necessary. Such adjustment will be made by increasing the total bill by one percent (1%) for each one percent (1%) by which the power factor is less than ninety percent (90%) lagging. The Cooperative reserves the right to measure such power factor at any time during a period of maximum demand.

Power Cost Adjustment

The above rate may be subject to an increase or decrease due to a power cost change from our power supplier.

Tax Adjustments

This rate shall be subject to all taxes which the Cooperative may be required to collect, including any franchise tax or other fees.

Gross Receipts Tax

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

TERMS OF PAYMENT

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.

LARGE POWER RATE – LP6

AVAILABILITY

The application of this rate schedule is limited to Consumers that establish a minimum demand of 1000 kilowatts through a single meter subject to the established rules and service regulations of the Cooperative.

TYPES OF SERVICE

Three-phase, 60 Hertz, at available voltage. At its sole discretion, the Cooperative may elect to meter the customer with either primary or secondary metering and make the appropriate correction for losses.

MONTHLY RATE

LEVEL >	I Substation Level	II Distribution Primary Level Metered at Substation Level	III Distribution Primary Level	IV Distribution Secondary Level
Service Access Fee	\$ 400 per month	\$ 400 per month	\$ 400 per month	\$ 400 per month
Demand Charge	\$ 0.50 per NCP kW	\$ 2.00 per NCP kW	\$ 2.50 per NCP kW	\$ 3.60 per NCP kW
Energy Charge:				
First 1,000,000 kWh	\$ 0.0050 per kWh	\$ 0.0050 per kWh	\$ 0.0053 per kWh	\$ 0.0055 per kWh
Over 1,000,000 kWh	\$ 0.0030 per kWh	\$ 0.0030 per kWh	\$ 0.0032 per kWh	\$ 0.0033 per kWh

Wholesale Power Cost

The Cooperative’s approved wholesale cost of power method using power supplier’s applicable Rate Schedule shall be the cost of power to serve the Customer including, but not limited to taxes, capacity, demand, ancillary services, delivery, energy and fuel charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. The power cost will be calculated using the billing units defined in the same manner as defined in the wholesale rate to the customer, including any ratchet provisions in the wholesale rate. The Customer’s billing units may be adjusted for line losses, as determined by the Cooperative, to calculate the Customer’s power cost at the wholesale supplier’s metering point to the Cooperative.

FACILITIES CHARGE

The facilities charge may be applicable to consumers requiring extension of service based on the actual cost of construction plus applicable interest cost (determined by the interest rate of the most current fixed loan), billed to the Customer monthly as developed on the following formula: **(Actual Construction Cost + Applicable Interest Cost) / Term of Agreement = Monthly Charge**

CONSTRUCTION COSTS

Construction costs for large project investments could be required to be paid upfront entirely in lieu of a facility charge(s). These construction costs are for large projects built for the purpose of servicing load(s) that could be financially detrimental to the cooperative if funds were not collected upfront. These pre-collected construction costs could be paid back to the consumer over time as a credit on the consumer’s monthly electric bill if certain minimum usage and load factor parameters are contractually met provided that the Cooperative’s financial investment on facilities built do not adversely affect the overall membership.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the service access fee plus the highest one of the following charges:

1. The service access fee plus all kWh charges, plus the Cooperative’s demand charge based on the Cooperative’s appropriate demand charge rate times the greatest of 1000 kW or the current billing month’s NCP recorded (metered) kW demand, plus any facilities charges, including all monthly wholesale power supplier charges.
2. Minimum as stated in Agreement for Purchase of Power.

DETERMINATION OF KAY ELECTRIC BILLING DEMAND

The Consumer’s Kay Electric Billing Demand shall be the maximum rate at which energy is used for any period of fifteen (15) consecutive minutes of the month for which the bill is rendered as shown by the cooperative’s demand meter.

DETERMINATION OF WESTERN FARMERS ELECTRIC WHOLESALE ENERGY CHARGE AND BILLING DEMANDS

For Consumers who qualify for this rate, the Consumer’s WFEC wholesale Energy Charge and Billing Demand(s) shall be based on the WFEC wholesale rate selected. WFEC’s rate schedule R16 Commercial /Industrial rider rate is the normal rate utilized for the LP-6 rate, but other WFEC rate schedules could be applied if beneficial for both the Consumer and the Cooperative. The Consumer is responsible to pay for any and all demand(s) or other charges according to the WFEC rate through the end of any given calendar year. If WFEC replaces the existing contract rate used by this agreement with a new contract rate, the newest contract rate would immediately be applied to this agreement and any associated fee changes applied.

PEAK DEMAND PERIOD

The Peak Demand Period shall be any day of the year.

LARGE POWER RATE (LP6)
(continued)

BILLING ADJUSTMENTS

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. The power factor during the month for billing purposes shall be obtained from the measured reactive kilovolt-ampere demand taken during the month. If the power factor during the month is less than ninety percent (90%) lagging or greater than ninety percent (90%) leading, a power factor adjustment shall be applied. Such adjustments shall be based on the higher of a power factor penalty charge from Western Farmers Electric Cooperative, or the amount from increasing the total monthly charges by one percent (1%) for each one percent (1%) that the power factor for the month is less than ninety percent (90%) lagging or greater than ninety percent (90%) leading.

Power Cost Adjustment (PCA)

The PCA shall be passed on to the Consumer using the same factor per kWh as is passed on to the seller as Fuel Adjustments by Cooperative's wholesale supplier.

Line Loss Adjustment

A line loss adjustment shall be applied by taking the total kilowatt-hours and increasing it by the amount of the line loss factor, which shall be determined based on the maximum expected load, if the metering for this service is not located at the beginning of a dedicated feeder to serve this load.

Tax Adjustments

The above rate shall be subject to an increase or decrease in proportion to the amount of new or increased taxes which the Cooperative may hereafter be required to pay, which are levied, imposed, increased or decreased by laws or tax rates which were not in effect on January 8, 2014.

Gross Receipts Tax

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

TERMS OF PAYMENT

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.

AGRICULTURAL POWER SERVICE (AG)

AVAILABILITY

The application of this rate is limited to members of the Cooperative for the operation of single-phase and three-phase qualifying agriculture motors over 30 kW or having a total of 37.5 kVA of transformer capacity for single-phase and 45 kVA capacity for three-phase, which agree not to use electric energy during Western Farmers Electric Cooperative's called peak days between the hours of 4:00 p.m. and 7:00 p.m. CST, from June 20 and September 9. The Cooperative will notify consumer of peak days through member provided cell numbers, text and/or emails.

TYPES OF SERVICE

Single and/or three-phase, 60 Hertz, at standard voltages.

MONTHLY RATE

Service Access Fee	\$ 30.00 for single-phase \$ 60.00 for three-phase
PLUS	
Transformer kVA Charge	\$ 0.50 per kVA of transformer capacity
Demand Charge	\$ 9.00 per kW of billing demand
Energy Charge	\$ 0.096 per kWh

CONTRACT TERMS

This rate is effective from the date the contract is signed and shall automatically be renewed from subsequent one (1) year terms unless terminated by either party giving notice prior to new summer control season. The consumer is responsible to pay for any demand charges on any kilowatt demand set by the consumer during any summer load control period for a term of twelve (12) months, even if the load is disconnected. If the load is disconnected, the demand charges are in addition to any minimum charges that might be remaining on the original contract.

METERING

Certain monitoring devices (metering) designated by Kay Electric will be placed at load location and shall be and remain the property of the Cooperative. A non-refundable contribution from the consumer will be collected to cover the initial cost of the metering device.

DETERMINATION OF BILLING DEMAND

The Billing demand shall be the higher of the following:

1. The kW demand set during the called peak days of summer control period.
2. 5% of the previous 11 months peak kW.
3. 35% of the present month kW peak.

The summer load control demand is the highest kW demand recorded during the called peak days between the hours of 4:00 p.m. and 7:00 p.m. of the summer load control period coinciding with our power suppliers three highest called peak days.

The monthly peak demand shall be the maximum kilowatt demand as indicated on a 15-minute demand interval.

If the consumer does not control his load during the summer control period, then he is responsible for any demand set during the summer load control period. The consumer agrees to pay the billing demand charge that is based on the summer load control kW demand for the next 12 months beginning with the first billing period following the end of the summer load control period. If the consumer disconnects the account before paying all 12 months of the demand charge, then the consumer will be billed the remaining demand charge on the final bill.

MINIMUM CHARGE

The minimum charge shall be the greater of the following charges:

1. The total of the service access fee, kVA capacity charge, billing demand charge and the energy charge.
2. Minimum as stated in Agreement for Purchase of Power.

POWER FACTOR

The consumer agrees to maintain unity power factor as nearly as practicable. The bill will be adjusted to correct for power factors lower than ninety percent (90%), when the Cooperative deems necessary. Such adjustment will be made by increasing the total bill by one percent (1%) for each one percent (1%) by which the power factor is less than ninety percent (90%) lagging. The Cooperative reserves the right to measure such power factor at any time during a period of maximum demand.

AGRICULTURAL POWER RATE
(continued)

BILLING ADJUSTMENTS

Power Cost Adjustment

The above rate may be subject to an increase or decrease due to a power cost charge from our power supplier.

Tax Adjustments

This rate shall be subject to all taxes which the Cooperative may be required to collect, including any franchise tax or other fees.

Gross Receipts Tax

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

TERMS OF PAYMENT

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.

DUSK-TO-DAWN LIGHTING SERVICE

AVAILABILITY

Available upon application to all members for illumination of outdoor areas at any point on or near the Cooperative's distribution or service lines, subject to the established rules and regulations of the Cooperative.

TYPES OF SERVICE

Single-phase, 60 Hertz, at available 120 volt secondary voltages.

MONTHLY RATE

- | | | |
|----|--|----------|
| 1. | Light installed on existing Cooperative service pole & connected to existing service line. | \$ 7.50 |
| 2. | Light installed on existing Cooperative distribution line pole and transformation from a distribution line solely for use of the light. | \$ 10.50 |
| 3. | The rates under (1) and (2) above shall be increased for each additional pole set for the installation of the light or for each span of secondary wire needed. | \$ 3.00 |

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the highest one of the following charges:

1. A charge of \$ 25.00 per month where transformation capacity of 15 kVA or less is required.
2. A charge of \$ 25.00 per month plus \$ 1.00 per kVA or fraction thereof where transformer capacity in excess of 15 kVA is required.
3. Or compliance with Standard Line Extension of the Cooperative's Terms and Conditions of Service on file with the Oklahoma Corporation Commission.

TERMS AND CONDITIONS

- A. The customer agrees to a minimum one (1) year contract and agrees to furnish, without cost to the Cooperative, all easements, permits and rights necessary to permit the Cooperative to install, maintain and operate the above required equipment and will be responsible to the Cooperative for damage to its facilities resulting from actions of persons on customer's premises.
- B. The customer shall be responsible for reporting outages or other operating faults, and the Cooperative will make repairs within a reasonable time during regular working hours and favorable weather conditions.
- C. Whenever additional facilities as provided in Rate (3) above are required by the customer, a longer term contract may be required to justify the additional investment.

ADJUSTMENTS

Power Cost Adjustment

The above rate may be subject to an increase or decrease due to a power cost change from our power supplier.

Tax Adjustment

This rate shall be subject to all taxes which the Cooperative may be required to collect, including any franchise tax or other fees.

Gross Receipts Tax

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

TERMS OF PAYMENT

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.

PUBLIC SERVICE RATE (PS)

AVAILABILITY

Available for commercial and industrial services for all uses including lighting, heating and power, for members who are municipal or county public services and churches, not to exceed 150 kVA of transformer capacity.

TYPES OF SERVICE

Single and/or three-phase, 60 Hertz, at standard voltages.

MONTHLY RATE

Service Access Fee	\$ 40.00 for single-phase \$ 80.00 for three-phase
PLUS	
Transformer kVA charge	\$ 0.50 per all kVA over 30 kVA
Demand Charge: First 5 kW	\$ 0.00 per kW of billing demand
Demand Charge: Over 5 kW	\$ 8.00 per kW of billing demand
Energy Charge	\$ 0.073 per kWh (ALL kWh)

TRANSFORMER kVA CAPACITY CHARGE

A monthly charge of \$0.50 per kVA for all transformer kVA capacity in excess of 30 kVA.

DETERMINATION OF BILLING DEMAND

The contract demand used for billing purposes shall be the kilowatt demand as indicated on a 15-minute maximum demand meter for the month for which the bill is rendered, but shall not be less than sixty-five percent (65%) of the highest kilowatt demand so supplied during the previous eleven (11) months.

MINIMUM CHARGE

The minimum charge shall be the greater of the following charges:

1. The total of the service access fee, kVA capacity charge, billing demand charge and the energy charge.
2. Minimum as stated in Agreement for Purchase of Power.

BILLING ADJUSTMENTS

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The bill will be adjusted to correct for power factors lower than ninety percent (90%), when the Cooperative deems necessary. Such adjustment will be made by increasing the total bill by one percent (1%) for each one percent (1%) by which the power factor is less than ninety percent (90%) lagging. The Cooperative reserves the right to measure such power factor at any time during a period of maximum demand.

Power Cost Adjustment

The above rate may be subject to an increase or decrease due to a power cost change from our power supplier.

Tax Adjustments

This rate shall be subject to all taxes which the Cooperative may be required to collect, including any franchise tax or other fees.

Gross Receipts Tax

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

TERMS OF PAYMENT

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.

MUNICIPALITY RATE – LEASED SYSTEMS

AVAILABILITY

The application of this rate is limited to consumers meeting the following conditions:

1. The consumer must be an incorporated city owning their own electrical system
2. The consumer must have a lease agreement with Kay Electric Cooperative or the intention to enter such an agreement before receiving electrical power from Kay Electric Cooperative.
3. Available to the actual meters used by the city for "city usage", as agreed upon between municipality and Kay Electric Cooperative.

TYPES OF SERVICE

Single and/or three-phase, 60 Hertz, at standard voltage.

MONTHLY RATE

Service Access Fee:	\$ 8.00 per month
Energy Charge	\$ 0.0850 per kWh
Street Light Charge	\$ 5.00 per month per light

POWER COST ADJUSTMENT

The above rate may be subject to an increase or decrease due to a power cost change from our power supplier.

TAX ADJUSTMENTS

This rate shall be subject to all taxes which the Cooperative may be required to collect, including any franchise tax or other fees.

GROSS RECEIPTS TAX

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

TERMS OF PAYMENT

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.

MUNICIPALITY RATE – METERED LIGHTS

AVAILABILITY

The application of this rate is limited to consumers meeting the following conditions:

1. The consumer must be an incorporated city owning their own electrical system;
2. Available for a municipality desiring electric service to operate their street lighting or other types of special lighting needs.

TYPES OF SERVICE

Single and/or three-phase, 60 Hertz, at standard voltages.

MONTHLY RATE

Service Access Fee:	\$25.00 per month
Energy Charge:	\$0.0850 per kWh

MINIMUM MONTHLY CHARGE

The minimum charge shall be the greater of the following charges:

1. A charge of \$25.00 per month PLUS \$1.00 per kVA, or fraction thereof for required transformer capacity in excess of 10 kVA; but in no event less than \$45.00 per month if three-phase service is required.
2. The minimum in the contract.

POWER COST ADJUSTMENT

The above rate may be subject to an increase or decrease due to a power cost change from our power supplier.

TAX ADJUSTMENTS

This rate shall be subject to all taxes which the Cooperative may be required to collect, including any franchise tax or other fees.

GROSS RECEIPTS TAX

All charges are subject to the Gross Receipts Tax levied by the State of Oklahoma. Currently the tax is two percent (2%).

TERMS OF PAYMENT

The monthly bill is due within 10 days after the bill is mailed or presented online for the consumer to view. A late fee of 5% of the net bill, but not less than \$5.00, shall be added after the due date. If the consumer fails to pay by the due date, the Cooperative may discontinue service by giving 5 days' written notice.