

JUN 04 2018

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NORTHERN NECK ELECTRIC COOPERATIVE

SCHEDULE EF

EXCESS FACILITIES

1. AVAILABILITY

Available in all territory served by the Cooperative, subject to the Terms and Conditions of the Cooperative on file with the Virginia State Corporations Commission.

2. APPLICABILITY

The provisions of this schedule are applicable whenever excess facilities are provided as described herein.

3. CONDITIONS

Whenever a Customer requests the Cooperative to supply electricity in a manner which requires equipment and facilities in excess of those which the Cooperative would normally provide and the Cooperative finds it practicable, such excess equipment and facilities may be provided under the following conditions:

- (a) Electricity will be provided only to a single Customer, served at one or more bona fide permanent delivery points in such a manner that all facilities are located on a contiguous property owned or leased by the Customer.
- (b) All Standard Utility Plant facilities supplied shall be of a kind and type of transmission or distribution line or substation equipment normally used by or acceptable to the Cooperative, and shall be installed in a place and manner satisfactory to the Cooperative. All other facilities supplied shall be of the type and kind approved by the Cooperative. All equipment furnished and installed by the Cooperative shall be and remain the property of the Cooperative and shall be accessible to and maintained only by the Cooperative and its authorized representatives.

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- (c) Whenever a Customer requests the Cooperative to furnish an alternative source of supply that the Cooperative would not normally furnish, the Excess Facilities charge for the alternative supply facilities shall be calculated as provided for under "Rate." When the facilities used to provide alternate service to a Customer are also used to serve other Customers, the cost of such facilities shall be included in the calculation of the Excess Facilities charge only in the proportion that the capacity reserved for alternate service to the Customer bears to the operating capacity of such facilities.
- (d) The Cooperative shall not be required to make such installations of equipment and facilities in addition to those normally provided until the Customer has signed such agreements and fulfilled such other conditions as may be required by the Cooperative.
- (e) The Cooperative may change facilities at its convenience so long as equivalent service is rendered and the charge to the Customer is unaffected. Should the Customer's electric service requirements change so that additional facilities and equipment no longer be needed, the estimated new installed cost of any additions or the cost of removal less any salvage value of any removed equipment and facilities, shall be added to the original cost used in the calculations under "Rate".
- (f) When the estimated cost of excess facilities exceeds the Customer's estimated annual electric billing, the Cooperative will require financial security in the form of a surety bond, a certificate of deposit, or an irrevocable letter of credit, or will require excess facilities billing under Rate (b) below.

4. RATE

- (a) The Customer will pay the Cooperative a monthly Excess Facilities charge equal to a specified percent of the estimated new installed cost of all facilities provided by the Cooperative in addition to those the Cooperative would normally provide to supply electricity in accordance with the applicable rate schedule and will be based on the following percentages:

<u>Type of Excess Facility</u>	
Standard Utility Plant (Normal Depreciation)	@ 1.60%
Non-Standard Utility Plant (10-yr Depreciation)	@ 3.27%
Non-Standard Utility Plant (5-yr Depreciation)	@ 4.54%

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- (b) In lieu of paying the Excess Facilities charge as determined in "a" above, the Customer may agree to pay (1) a one-time Excess Facilities charge equal to the estimated new installed cost of all facilities provided by the Cooperative in addition to those the Cooperative would normally provide to supply electricity to the Customer at one delivery point; plus (2) a monthly Excess Facilities charge based on the following percentages:

Type of Excess Facility

Standard Utility Plant (Normal Maintenance schedule)	@ 1.07%
Non-Standard Utility Plant (10-yr Maintenance schedule)	@ 2.23%
Non-Standard Utility Plant (5-yr Maintenance schedule)	@ 2.66%

5. TERM OF CONTRACT

As mutually agreed upon and specified in a written contract, but normally not less than five (5) years.

Effective: For bills rendered on and after June 1, 2018