



These General Terms and Conditions apply to all Service Agreements between the BPU and the Customer. They are subject to additions and modifications from time to time, and become effective and binding as a matter of law without any further notice. No inconsistency is intended between these General Terms and Conditions and more specific provisions in the Service Agreements, Service Orders, Rate Schedules, or Riders. Any inconsistency shall be resolved in favor of the more specific provisions in the Service Agreements, Rate Schedules or Rider. Copies of these General Terms and Conditions May be reviewed or obtained by any Customer of BPU at BPU's principal place of business.

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SECTION 1 - DEFINITIONS

1.01 BPU – The McPherson Board of Public Utilities or BPU, with its administrative office located at 401 West Kansas Avenue, McPherson, Kansas 67460, (telephone 620-245-2515), which furnishes water and electric Service under these General Terms and Conditions.

1.02 CUSTOMER – Any person, partnership, association, firm, public or private corporation, other entity, or governmental agency applying for or using Service supplied by the BPU. Customers May include, but are not limited to the following subsets:

a. RESIDENTIAL CUSTOMER – For Service supplied to a location with a resident of one (1) Customer through one (1) metering point for domestic, farm, and other purposes. Qualifying establishments do not include campers or other temporary living quarters. Service is for exclusive use of Customer. Resale of Service may only occur with the consent of the BPU.

b. GENERAL SERVICE CUSTOMER – (General Service Customers include but are not limited to non-residential, commercial and industrial customers.) For Service supplied to one (1) Customer through one (1) meter. Service is for exclusive use of Customer. Resale of Service may only occur with the consent of the BPU.

1.03 DEMAND – The average rate of consumption of electric power by a Customer, measured in Kilowatts or Kilovolt Amperes, during a designated interval of time.

1.04 ELECTRIC SERVICE – The availability of electric power and energy supplied by BPU at a Point of Service within BPU's Service territory on or near the Customer's premises, at approximately the standard voltage and frequency for a class of Service made available by BPU in that area, which source is adequate to meet Customer's requirements, irrespective of whether or not the Customer makes use of such Electric Service.

1.05 ELECTRIC SERVICE AGREEMENT – The application, contract or agreement, pursuant to which the BPU supplies Electric Service to the Customer; May herein or elsewhere be referred to as Service Agreement.

1.06 INTERNAL CREDIT RATING – Rating established by BPU based on customer's history of payments, insufficient funds, tampering, disconnections, bankruptcy, and write-offs.

1.07 KILOWATT – The basic unit of Customer's electric power consumption (or demand) at any point in time and shall be abbreviated as kW.

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1.08 KILOVOLT AMPERE – The basic unit of Customer's electric power consumption (or demand) at any point in time and shall be abbreviated as kVA.

1.09 KILOWATT HOUR – The basic unit of Customer's electric energy consumption, equivalent to an average of one Kilowatt of electric power utilized for a period of one hour and shall be abbreviated as kWh.

1.10 MAY – When used in reference to the BPU making a decision, the use of "may" implies the use of discretion by the BPU considering the relevant facts and the goals and objectives of the utility. The discretion granted to BPU herein shall not be based on race, creed, color, religion, sex, nationality, or origin or any other factor prohibited by law.

1.11 POINT OF SERVICE – The place where BPU's system is joined to customer's equipment unless some other Point of Service is specified in the Service Agreement.

1.12 RATE SCHEDULE – Electric Service Schedule, Electric Rate Schedule and/or Water Rate Schedule.

1.13 RESALE OF SERVICE – The resale of the Service is prohibited by Customers to third party or tenants of Customer without the written consent of BPU. The Customer may pass on to occupant(s) of rental facilities an amount equal to the billing received to such tenant(s).

1.14 RURAL – All areas not inside the city limits.

1.15 SECURITY DEPOSIT – An amount of money or other guarantee acceptable to BPU, including but not limited to cash, surety bond, or irrevocable letter of credit as determined in BPU's sole discretion, required for credit or other security purposes.

1.16 SERVICE – means electric service, water service, sewer service and trash service.

1.17 SERVICE AGREEMENT – The application, contract, or agreement pursuant to which BPU supplies electric service and water service, and others provide sewer service or trash service to the Customer.

1.18 SERVICE ORDER – shall also refer to a BPU Permanent Meter Application, Temporary Electric Application in addition to BPU's standard Service Order.

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1.19 TAMPERING – As used throughout these General Terms and Conditions, tampering shall be defined as:

- a. Making an unauthorized connection of any wire, conduit, pipe, or device to any Service, distribution or transmission line owned by BPU;
- b. Defacing, puncturing, removing, reversing or altering any meter, equipment, or connections on the BPU's system;
- c. Preventing any such meters from properly measuring or registering; or
- d. Taking, receiving, using or converting to such person's own use any Service which has not been measured;
- e. Installing a meter or other device to receive Service without the written consent of BPU.

1.20 TERMS AND CONDITIONS – Inclusive phrases that herein or elsewhere in BPU Rate Schedules, Service Agreements, Service Orders, contract or other documents may be referred to as General Terms and Conditions, Electric Terms and Conditions, Rules and Regulations, or Electric Rules and Regulations, all of which govern the relationship between BPU and Customer.

1.21 WATER SERVICE – The availability of potable water by BPU at adjacent road right-of-way as long as existing water main has been installed which is adequate to meet Customer's requirements.

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SECTION 2 - APPLICATION FOR SERVICE

2.01 Application by Customer: Completion of BPU's standard application or written contract forms shall constitute an application for Service. BPU may accept an oral application for Service. The BPU may require a separate Service Agreement for each class of Service at the same or at each separate location. An application for Service and accepting Service shall inherently and irrevocably constitute acceptance of these Standard Terms and Conditions, as amended from time to time and which may not be altered or amended without the express written consent of BPU.

2.02 Customer Identification

2.02.01 Any Residential Customer making application for Service shall be required to provide documentation evidencing:

- a. Name on account or person(s) responsible for payment of bills;
- b. Mailing address, and
- c. Proof of identification, including driver's license if issued.

2.02.02 Any non-Residential Customer making application for Service shall be required to provide documentation evidencing:

- a. Business name and mailing address to be on the account;
- b. Name(s) of business contact person(s), including one form of positive identification;
- c. Type of business,
- d. Employer identification number issued by the Internal Revenue Service.

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2.03 Outstanding Indebtedness

2.03.01 If, upon Customer's application, Customer has an outstanding undisputed unpaid Service account with the BPU, then BPU shall not be required to commence Service with Customer until such indebtedness is satisfied. Indebtedness shall include any and all undisputed and unpaid accounts that have accrued within the last:

- a. Five (5) years for Service for the same class of Service previously supplied at the same or former premises located in any area served by the BPU;
- b. The Customer has outstanding with the BPU or other utility, an undisputed and unpaid Service account that accrued within the last five (5) years; or
- c. Customer has, in an unauthorized manner used, interfered or Tampered with, or diverted (meter bypass) the Service of a utility within the last eight (8) years.

2.03.02 Security Deposits shall be in accordance with Section 3.01.01.

2.03.03 Customers who apply for new Service at a concurrent and separate metering point, residence or location may be considered new applicants.

- a. Residential Customers who have been disconnected and reconnected to Service at the same premise within thirty (30) days shall be considered existing Customers. Residential Customers who have been lawfully disconnected for over thirty (30) days may be considered new applicants.
- b. Non-Residential Customers who have been disconnected, but not issued a final bill, shall be considered existing Customers. Non-Residential Customers who have been lawfully disconnected and issued a final bill may be considered new applicants.
- c. New owners or leaseholders of an existing premise may be considered new applicants. New owners of the corporate or business entity that is the Customer may be considered new applicants.
- d. A Customer or applicant's bankruptcy may be considered to the extent allowed by law.

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2.04 Selection of Rate

2.04.01 Each Customer is responsible for choosing the most economical Rate Schedule and/or Rider for which the requested Service is eligible. BPU, shall upon request, provide advice on the Rate Schedule best adapted to existing or anticipated Service requirements, as provided by Customer. BPU does not assume responsibility for Customer's selection of Rate Schedules. A Customer shall not resell or allow others to use Service in a manner not authorized by BPU's Rate Schedule or allowed by these General Terms and Conditions.

2.05 BPU's Right to Refuse or Disconnect Service

a. If Customer has requested Service and Customer is responsible for an undisputed bill for the same class of Service which remains unpaid, then BPU shall not be required to provide Service to Customer.

b. Certain exceptions are provided in the Cold Weather Rule as described in Section 5, Cold Weather Rule.

c. BPU is required to provide Service to, and may disconnect Service of, anyone who resides with Customer when Customer became responsible for an undisputed bill which remains unpaid, if that individual continues to reside with Customer. Service may be withheld until the bill is paid, or a payment agreement covering the bill has been established and been mutually agreed upon.

2.06 Notices2.06.01 Change in Occupancy

a. Notice of Customer's intent to terminate Service must be given to the appropriate BPU representative. Such notice must be provided to BPU no less than three (3) business days prior to the date of move out.

b. The Customer terminating Service will be held responsible for all Service supplied to such premise up to three (3) business days after receipt of notice to terminate service is given to BPU.

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c. A new Customer may start Service at an address, even if BPU has not received a notice from the previous Customer by:

i) stating the date when Service will be first used by new Customer at the address; and

ii) agreeing to pay for Service from that date.

d. The date Customer begins using Service at the address shall be considered the notice date of the previous Customer. Customers who have been paying for Service in the name of previous Customers may have Service switched to their name with the meter reading prior to the request for the change. BPU will use reasonable diligence, based on the information provided, to determine the date Service was transferred from a previous Customer to the Customer requesting Service. The connect and disconnect order will be dated based on the information provided. The previous Customer is not responsible for Service at the address after the date of the final bill.

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SECTION 3 - SECURITY DEPOSITS**3.01 Establishment and Maintaining of Credit**

3.01.01 Credit Establishment New Customers: The BPU may at any time of application for Service require a Customer to provide reasonable credit information before Service is made available. In addition, BPU may request positive identification before Service is made available for Residential Customers. The BPU, at the time of the application for Service may require an initial deposit to guarantee payment of bills for Service rendered if:

- a. Customer has an unsatisfactory Internal Credit Rating, cannot provide a satisfactory external bill payment history with another utility, or has insufficient prior credit history upon which a credit rating may be based. Payment history with another utility may only be obtained with Customer approval;
- b. Customer has outstanding, with the BPU, an undisputed and unpaid Service account which accrued within the last five (5) years or;
- c. Customer has, in an unauthorized manner, used, interfered or Tampered with, or diverted (meter bypass) the Service of a utility within the last eight (8) years.

3.01.02 Maintaining Credit Existing Customers: BPU may at any time after application for Service, in its reasonable discretion, upon five (5) days written notice, require a new or modified Security Deposit to guarantee payment of bills for Service rendered if:

- a. Customer has outstanding, with BPU or with any other utility an undisputed and unpaid Service account which accrued within five (5) years for Service provided or for the same class of Service previously supplied at the same or former premises located in any area served by the BPU;
- b. Customer has, in an unauthorized manner, interfered with, Tampered with or diverted or used (meter bypass), the Service of the BPU within the last eight (8) years, or;
- c. BPU establishes that Customer has an unsatisfactory Internal Credit Rating.

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3.02 Security Deposits

3.02.01 Security Deposits paid by any payment method approved for the payment of bills (cash, check, credit card, debit card, electronic payment, money order, etc.) shall be considered as paid. These deposits shall accrue interest according to Section 3.07.01.

3.03 Security Deposit at Time of Application of Service

The BPU at the time of the application for Service may require an initial deposit from:

3.03.01 A new applicant which shall be defined as:

- a. Customers who apply for new Service at a concurrent and separate metering point, residence, or location;
- b. Residential Customers who have been lawfully disconnected for over 30 days;
- c. Non-Residential Customers who have been lawfully disconnected and issued a final bill;
- d. New owners or leaseholders of an existing premise;
- e. New owners of the corporate or business entity that is the Customer;
- f. A Customer or applicant's bankruptcy may be considered if allowed by law.

3.03.02 An existing Customer which shall be defined as:

- a. Residential Customers who have been disconnected and reconnected to Service at the same premise within thirty (30) days
- b. Non-Residential Customers who have been disconnected, but not issued a final bill.

3.04 Security Deposit after Time of Application of Service

BPU may at any time after application of Service, upon five (5) days written notice, require a new or modified deposit to guarantee payment of the bills for Service rendered if:

- a. Customer fails to pay an undisputed bill before the bill due date for three (3) billing periods in the most recent twelve (12) month period, one

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of which is at least thirty (30) days in arrears, or one billing period which is at least sixty (60) days in arrears;

b. The Customer is a non-Residential Customer and has a change in the character of Service defined as a change in the nature or classification of use;

c. The Customer was disconnected for nonpayment one (1) or more times within the most recent twelve (12) month period;

d. The Customer has defaulted on a payment agreement(s) one (1) or more times within the most recent twelve (12) month period;

e. The Customer has tendered one (1) or more insufficient funds payments within the most recent twelve (12) month period.

f. Customer has, in an unauthorized manner interfered with, Tampered with, diverted or used (meter bypass), the Service of the BPU within the last eight (8) years; or

g. Security Deposits may be adjusted if and to the extent allowed by applicable bankruptcy laws.

h. BPU establishes that Customer has an unsatisfactory Internal Credit Rating.

If the Customer's existing Security Deposit is to be adjusted or modified, the Customer's maximum Security Deposit requirement will be calculated in the same manner as an initial deposit. The entire deposit requirement will be treated as an initial deposit subject to rules for installment payments and retention.

3.05 Calculation and Payment of Security Deposit

3.05.01 For all Residential Customers and Customers on the General Service Small Rate Schedule, the amount of the Security Deposit required shall not exceed two (2) times the amount of the projected average monthly bill for the Customer. For other Customers, such Security Deposit shall not exceed the sum of the projected two (2) largest monthly bills for the Customer. If BPU has documented that Customer has Tampered with Service, then BPU may require Customer to provide an additional Security Deposit which shall not exceed one additional time (for a total of three) times the amount of the projected average monthly bill for the Customer.

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3.05.02 Except as provided in Section 5.03.05, Cold Weather Rule, Customers shall be informed of and BPU shall permit payment of required Security Deposits from all Residential Customers and Customers on the General Service Small Rate Schedule in equal installments over a period of at least four (4) months. For other Customers, any Security Deposit requested is due five (5) days following BPU's written notice.

3.05.03 BPU shall maintain a record of all Security Deposits received showing Customer's name, service address for which the Security Deposit is maintained, date and amount of Security Deposit, and the date and amount of interest paid.

3.06 Security Deposit Receipts

3.06.01 Whenever a Security Deposit is accepted, BPU will issue to Customer a non-assignable receipt showing:

- a. The name of the Customer;
- b. Place, date and amount of Security Deposit;
- c. BPU's name, address, and name of BPU employee receiving the Security Deposit; and
- d. A statement of Terms and Conditions governing the use, retention and return of the Security Deposit, including a statement that the Security Deposit taken from residential Customers shall be either credited with interest to their utility bills or, if requested, refunded under such conditions as described in Section 3.07 Return of Security Deposits.

3.06.02 Transfer of deposit: A Security Deposit shall not be transferable from one Customer to another Customer. Upon termination of Customer's Service at a service address, BPU may transfer the Security Deposit for Service at such address to Customer's new account. Disconnection for non-payment of Security Deposit will be governed by Section 6, Discontinuance of Service.

3.07 Return of Security Deposit

3.07.01 Upon termination of Service, if the Security Deposit is not to be transferred to a new account, BPU will refund to Customer the amount of the Security Deposit, plus accrued simple interest at a rate not less than that provided by K.S.A. 12-822 and amendments, less any unpaid bills (including any late payment charges) due. Each year, BPU shall credit Customer's account balance or refund to Customer any interest that has accrued on the Security Deposit.

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3.07.02 BPU will return the Security Deposit, together with accrued interest, if any, to Residential Customers and Customers on the General Service Small Rate Schedule who have paid ten (10) of the last twelve (12) bills on time and no undisputed bill has been unpaid after fifteen (15) days beyond the due date. Customers on the General Service Medium and General Service Large Rate Schedule can be retained by the BPU until termination of Service. Customers on the General Service Medium and General Service Large Rate Schedule can have their deposit requirements recalculated every three (3) years or when the non-cash Security Deposit expires. The maximum deposit requirement shall be increased or decreased as appropriate for each Customer. Customers may request that the utility recalculate their deposit at a shorter interval. The BPU and/or Customers shall have thirty (30) days to correct the deposit on file. A Security Deposit need not be returned until all undisputed amounts are paid.

3.07.03 Security Deposits and interest, if any, shall be returned by crediting consecutively to Customer's Electric Service, Water Service, sewer service and trash service bill or by refund.

3.07.04 Security Deposits Not A Waiver – The fact that a Security Deposit or guarantee has been made will in no way relieve the Customer from complying with the BPU's Terms and Conditions pertaining to payment of bills, nor will it constitute a waiver or modification of the regular practices of the BPU providing for disconnection of Service for non-payment of sums due the BPU for services rendered.

3.08 Third Party Guarantees

3.08.01 In lieu of a cash Security Deposit, BPU will accept the written guarantee of any of its Residential Customers with no Deposit on file who have made eleven (11) of the last twelve (12) payments on time with no undisputed payments remaining unpaid after fifteen (15) days. BPU shall require the guarantor to sign an agreement allowing the BPU to transfer the Customer's debt to the guarantor's account. BPU shall not hold the guarantor liable for sums in excess of the maximum amount of the required Security Deposit or for attorneys or collection fees.

3.08.02 If Customer's Service is disconnected for nonpayment and the balance due remains unpaid, the unpaid Service amount not exceeding the guaranteed amount will be transferred to the guarantor's account. The guarantor will have the same time to pay the Security Deposit as a new Customer and can be disconnected for nonpayment under conditions set out in Section 6, Discontinuance of Electric Service or Section 5, Cold Weather Rule. Such Security Deposit collected from the guarantor shall be used to reduce the Residential Customer's indebtedness. The guarantor shall be released when

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the Customer would qualify for a Deposit refund as governed by Section 3.07, Return of Security Deposit.

3.09 Discrimination

3.09.01 A Customer's race, sex, creed, national origin, marital status, age, number of dependents, source of income, geographical area of residence, or other legally prohibited factor shall not be a basis for BPU requiring a Security Deposit from Customer.

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SECTION 4 - BILLING AND PAYMENT**4.01 Payment of Bills**

4.01.01 All bills for Service are due and payable upon receipt. Normally bills shall be sent by mail. In addition, BPU may offer an electronic (e-mail) billing option. Customer may change to this option at any time. The non-receipt of a bill by Customer shall not release or diminish the obligation of Customer with respect to the full payment thereof, including the late payment charge. If the last calendar day for remittance falls on a day when BPU's authorized agents are not available to the general public, then the final payment date shall be extended through the next business day. Bills for Service are delinquent on the date specified thereon.

4.02 Responsibility for Bill Payment

4.02.01 Customer's failure to pay obligations to BPU under Customer's Service Agreement for utility related Service shall constitute a default justifying discontinuance of Service under Section 6, Discontinuance of Service of these General Terms and Conditions. Customer's failure to pay BPU other than amounts due BPU under Customer's Service Agreement, shall not be a default justifying discontinuance of Customer's Service under Section 6, Discontinuance of Service of these General Terms and Conditions. BPU's failure to pay Customer when required or to give Customer credit shall not justify Customer's failure to pay the amounts due BPU under Customer's Service Agreement for utility related Services nor prevent Customer from being in default. Default shall be determined as follows:

- a. Customer's failure to satisfy these General Terms and Conditions;
- b. Customer's failure to pay in full any delinquent amount due BPU under Customer's Service Agreement for utility related services; and
- c. Customer's obligation to pay in full any delinquent amount due BPU under Customer's Service Order for utility related services shall be separate from other obligations and claims between BPU and Customer.

4.02.02 BPU shall not threaten or refuse Service to, or threaten or disconnect Service of, a Customer for an outstanding debt on an account unless:

- a. The individual signed the Service Order on the account; or
- b. Agreed in writing to be responsible for the debt associated with another Customer's Service; or

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c. If Service was established while the Customer and another individual(s) lived together, the individuals were not related by marriage or birth when the debt was incurred and the individuals continue to live together (e.g. roommates). This subsection is intended to prevent a situation where roommates attempt to avoid payment for or disconnect of Service by moving responsibility for Service between roommates and should be interpreted and applied accordingly.

4.03 Methods of Payment

4.03.01 Payment by mail: Customers paying by mail shall place a check or money order and the bill payment stub in a clearly addressed envelope and shall post such payment to cause it to arrive at BPU's remittance processing center on or before the due date. BPU shall not be responsible for cash payments placed in the mail.

a. If Customer pays by personal check and said personal check is returned by the bank for non-payment due to insufficient funds, then BPU may assess an Insufficient Funds Charge pursuant to Section 10.05, Fee Schedule.

b. BPU may require Customer to make payment of bills by cash at an authorized pay agent location or by mailing certified checks or money orders.

c. BPU may convert personal checks into electronic transactions. If BPU elects to convert personal checks into electronic transaction(s) and said electronic transaction is returned by the bank for non-payment due to insufficient funds, then BPU may assess an Insufficient Funds Charge pursuant to Section 10.05, Fee Schedule.

4.03.02 Payment in drop box: Customers paying by drop box shall place a check or money order and the bill payment stub in a sealed envelope and place it in a BPU-sponsored drop box to arrive at BPU's remittance processing center on or before the due date. BPU shall not be responsible for cash payments placed in a drop box.

4.03.03 Payment by Credit, Debit or ATM Card: Customer may request BPU or BPU's agent to accept payment by Customer's credit, debit or ATM card for payment of Customer's bill for utility services. If required, Customer will pay to BPU's agent a Convenience Fee not to exceed the amount specified in Schedule 10.11, Fee Schedule.

a. The decision to accept a credit, debit or ATM card payment shall be solely that of the BPU or BPU's agent.

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b. BPU may administer credit, debit or ATM card payment requests through a live telephone representative or through automated processes such as an interactive voice response (IVR) system through BPU's Internet web site or BPU agent's web site.

c. BPU shall credit a debit , credit or ATM card payment through authorized payment processes to the Customer's account as if payment had been received by the BPU on the same business day as the Customer's payment.

d. A credit, debit or ATM card payment reversed for any reason may cause Customer's account to be deemed delinquent as if the payment had never been tendered.

e. BPU or BPU's agent may refuse to accept credit, debit or ATM card payments from a Customer who has obtained the use of a credit card improperly. This may include, but is not limited to; reported or suspected use of a credit card in a fraudulent manner, reported or suspected use of a stolen credit, debit or ATM card, or defrauding the BPU or owner of a credit, debit or ATM card.

4.03.04 BPU may establish a program that will, upon Customer's request, automatically withdraw the Customer's billed payments on a regular basis from Customer's account in a recognized financial institution. If Customer pays by such automated means, and a payment is returned by the financial institution for non-payment due to insufficient funds, BPU may assess an Insufficient Funds Charge pursuant to Schedule 10.05, Fee Schedule.

4.03.05 Electronic Payment or Draft: Customer may request BPU or BPU's agent to issue a draft or electronic transaction on Customer's account in a recognized financial institution for payment of Customer's bill for Services.

a. The decision to accept an electronic payment shall be solely that of the BPU.

b. BPU may administer electronic payment requests through a live telephone representative or through automated processes such as interactive voice response (IVR) systems or through BPU's Internet web site or an authorized agent's web site.

c. BPU shall credit an electronic payment through authorized payment processes to the Customer's account as if payment had been received at BPU's remittance processing center on the same business day as the Customer's payment.

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d. Customer shall ensure that sufficient funds are available to pay the amount of the requested electronic payment or draft. An electronic payment returned to BPU for insufficient funds may incur an Insufficient Funds Charge pursuant to Schedule 10.05, Fee Schedule. A draft payment returned to BPU for insufficient funds may incur an Insufficient Funds Charge pursuant to Schedule 10.05, Fee Schedule. An electronic payment or draft returned to BPU for insufficient funds may cause Customer's account to be deemed delinquent as if the payment had never been tendered.

e. BPU may refuse to issue an electronic payment or draft for a Customer who has tendered to BPU one or more insufficient funds payment.

4.03.06 Payment by Cash Only: BPU may require bills to be paid in cash for Customer who has tendered to BPU one or more insufficient funds payments.

4.03.07 Payment Options Notification: BPU shall provide notice to Customers informing them of authorized bill payment options and locations.

4.04 Contents of Bill

4.04.01 The BPU will normally bill each Customer each billing period in accordance with its applicable Rate Schedules. As soon as possible, each Service bill issued to a Customer will show:

- a. The beginning and ending meter reading for the billing period, except that an estimated billing shall disclose that it is based on estimated usage and the word "Estimated" shall appear on the bill;
- b. The date of the most recent meter reading and the date of the billing;
- c. The final date by which a payment can be received before a Late Payment Charge is imposed;
- d. The actual or estimated Service supplied during the billing period;
- e. The energy cost adjustment in cents per kilowatt-hour (kWh) and the total amount due for the energy cost adjustment;
- f. The amount due on or before the due date and the amount due after the due date;

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g. The amount of additional charges due for past due accounts, Security Deposits, collection, connection, disconnection or reconnection charges, installment payments, estimated billing adjustments, and other utility charges;

h. For Customers on the Variable Billing plan or Fixed Billing Plan, if offered, the dollar amount of overage or underage of amount paid to date as compared to the cumulative amount calculated under BPU's normal billing process for the same period;

i. The monthly amounts due from Customers paying down an arrearage under the Cold Weather Rule or other payment plans;

j. The total amount due for the current billing period;

k. The amount due for city transfer charge, state and local sales taxes, purchased capacity charge, purchased transmission charge, demand charge, other surcharges stated separately, and other Services provided;

l. The address and telephone number of BPU's office where Customer may make a report, inquiry, or complaint concerning a disputed bill, service rendered, account delinquency or termination of Service.

4.04.02 The BPU may include on the bill for Services other charges for special service designated clearly and separately from charges for utility Service. Special charges are those not authorized by the Rate Schedule or otherwise specifically regulated. If the Customer makes a partial payment for the total bill, the BPU will credit payment (a) first to the balance outstanding for utility service beginning with the oldest Service debt, (b) then to additional utility charges (such as disconnection/reconnection fees) and (c) then to special charges as defined above.

4.05 Meter Reading Periods

4.05.01 Unless otherwise provided in the Rate Schedules, meters will be read at intervals approximating the billing period, except for water meters during the winter months. The BPU reserves the right to adopt a plan dividing territory served into districts and of reading meters in each district at a selected time period. The BPU shall read meters, except for water meters during the winter months, in a range of at least every twenty-six (26) and no more than thirty-six (36) days.

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4.06 Late Payment Charges

4.06.01 If the bill becomes delinquent (past due), a one time late payment charge in an amount equal to two percent (2%) of the delinquent amount owed for current Service will be added and BPU may initiate any collection efforts.

4.07 Partial Payment

4.07.01 If Customer makes a partial payment for the total bill, payment will be credited first to the balance outstanding for Service beginning with the oldest Service debt, then to additional utility charges, such as disconnection or reconnection charges, and then to special charges.

4.08 Tax Adjustments

4.08.01 Any Customer qualifying for a tax exemption shall be responsible for (1) Completing and submitting exemption and refund applications to the appropriate entities, (2) Performing underlying tax calculations, (3) Providing a copy of the exemption certificate to BPU, and (4) Verifying that bills reflect the appropriate exemption. No Customer refunds shall be made due to the non-application of a tax exemption unless the taxing subdivision makes an equivalent compensating refund to the BPU.

4.09 Variable Billing

4.09.01 The Variable Billing Plan, when offered by the BPU, is by mutual agreement between the Customer and the BPU, and shall be available to any qualifying residential Customer. Qualifying Customer can begin Variable Billing Plan immediately or anytime after Service is initiated as long as account is current, with no outstanding balance at the time of application.

4.09.02 Conditions of Variable Billing

- a. To pay each monthly installment on or before the due date thereof;
- b. To pay the late payment charge provided in these Terms and Conditions if a bill becomes delinquent;
- c. That failure to pay any monthly installment on or before the due date will be cause for termination by the BPU of the Variable Billing Plan with respect to Customer, in addition to other remedies permitted by these Terms and Conditions;

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d. That the bill will apply only to the premises then occupied by Customer and that if such premises are vacated during the billing period covered by said Variable Billing Plan, the Variable Billing Plan with respect to Customer will immediately terminate;

e. That if the Variable Billing Plan is terminated, any amount or amounts payable by or due to Customer on account of the Service during the period covered by the plan will be billed or credited to Customer at once;

f. That until terminated by either party, the Variable Billing Plan will be renewed automatically.

4.09.03 Calculation of Variable Billing

Each month BPU shall calculate Customer's Variable Billing monthly bill based upon available history, estimated if not known, not to exceed the most recent twelve (12) calendar months. The monthly Variable Bill shall be the sum of:

- a. Current net monthly bill, plus
- b. Up to the previous eleven (11) net monthly bills, estimated if not known, plus
- c. Financial transactions that would impact Customer's monthly bill plus
- d. Net accumulated difference between billings calculated under the Rate Schedule which Customer takes Service under and the billed Variable Billing amount.
- e. Divided by the number of months the account has been billed, up to a maximum of twelve (12).

4.09.04 Customers Variable Billings are due and payable as provided in Section 4.01, Payment of Bills. If such billing becomes delinquent, a late payment charge in accordance with Section 4.11.02 will be added. BPU may terminate the Variable Billing Plan if Customer fails to pay any one (1) Variable Monthly Billing on or before its due date. Billings to Customers using the Variable Billing Plan will contain the information specified in Section 4.04, Contents of Bill, and shall also show the overage or underage of the amounts paid to date as compared to the amounts calculated under BPU's normal billing procedures for the same period.

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4.09.05 Termination of the Variable Billing Plan: Final settlement occurs only when participation in the Variable Billing Plan is terminated. Any amount due or owing including the settlement balance (debit or credit) shall be included in the current bill upon termination.

4.10 Fixed Billing

4.10.01 The Fixed Billing Plan, when offered by the BPU, is by mutual agreement between the Customer and the BPU, and shall be available to any qualifying residential Customer. A qualifying Customer must have twelve (12) months billing history at location and account must be current, with no outstanding balance at the time of application.

4.10.02 Conditions of Fixed Billing

- a. To pay each monthly installment on or before the due date thereof;
- b. To pay the late payment charge provided in these Terms and Conditions if a bill becomes delinquent;
- c. That failure to pay any monthly installment on or before the due date will be cause for termination by the BPU of the Fixed Billing Plan with respect to Customer, in addition to other remedies permitted by these Terms and Conditions;
- d. That the bill will apply only to the premises then occupied by Customer and that if such premises are vacated during the billing period covered by said Fixed Billing Plan, the Fixed Billing Plan with respect to Customer will immediately terminate;
- e. That if the Fixed Billing Plan is terminated, any amount or amounts payable by or due to Customer on account of the Service during the period covered by the Plan will be billed or credited to Customer at once;
- f. That until terminated by either party, the Fixed Billing Plan will be renewed automatically.

4.10.03 Calculation of Fixed Billing

From one (1) to four (4) times per year BPU shall calculate Customer's Fixed Billing monthly bill based upon available history, estimated if not known, not to exceed the most recent twelve (12) calendar months. The monthly Fixed Bill shall be the sum of:

- a. The current net monthly bill, plus

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- b. Previous 11 net monthly bills, estimated if not known, plus
- c. Financial transactions that would impact Customer's monthly bill net, plus
- d. Net accumulated difference between billings calculated under the rate schedule which Customer takes Service under and the fixed billing amount.
- e. Divided by 12 (12 billing periods)

4.10.04 Customer's Fixed Billings are due and payable as provided in Section 4.01, Payment of Bills: If such billing becomes delinquent, a late payment charge in accordance with Section 4.11.02 will be added. BPU may terminate the Fixed Billing if Customer fails to pay any Fixed Monthly Billing on or before its due date. Billings to Customers using the Fixed Billing Plan will contain the information specified in Section 4.04, Contents of Bill, and shall also show the overage or underage of the amounts paid to date as compared to the amounts calculated under BPU's normal billing procedures for the same period.

4.10.05 Termination of the Fixed Billing Plan

Final settlement occurs only when participation in the Fixed Billing Plan is terminated. Any amount due or owing including the settlement balance (debit or credit) shall be included in the current bill upon termination.

4.11 Delinquent Bills

4.11.01 Bills for Service will be deemed delinquent (past due) if payment thereof is not received by the BPU on or before the due date stated on the bill, which for all classes of Customers will be the last date on which payments received can, in the normal and reasonable course of the BPU's procedures, be credited to the Customer's account in preparing the next normal billing.

4.11.02 When a bill becomes delinquent (past due), a late payment charge in an amount equal to two percent (2%) of the delinquent amount owed for current Service will be added to the Customer's bill in accordance with Section 4.06, Late Payment Charge, and collection efforts by the BPU will be initiated.

4.11.03 If the last calendar day for remittance falls on a day when the BPU's authorized agents are not available to the general public, the final payment date will be extended through the next business day.

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4.12 Charges for Work Done on Customer's Premises by BPU

4.12.01 BPU shall charge Customer for all materials furnished and work done on Customer's premises beyond the Point of Service. BPU shall charge Customer once the investigation of a suspected unsafe condition is completed. Unless the unsafe condition on Customer's premises is a result of BPU's negligence, then no such charges shall apply to Customer. Any charge shall be based upon BPU's existing schedule of charges. BPU shall not charge Customer for replacement or repair of equipment furnished and owned by BPU on Customer's premises unless the repairs or replacements were caused by Customer or Customer's agent's negligence or misuse.

4.13 Correction of Erroneous Bills

4.13.01 In the event of an error in billing, such as, but not limited to, meter reading or improper rate schedule, Company shall issue a corrected bill at customer's request. The corrected bill shall show the adjusted amount due or amount to be credited. Any amounts paid by Customer on the erroneous bill shall be shown as a credit on the corrected bill. No corrected bill shall be issued for a period exceeding 12 months, unless the date of the error can be determined in which case the correction shall be computed back to but not beyond such date.

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SECTION 5 - COLD WEATHER RULE5.01 Applicability

5.01.01 The provisions of this Cold Weather Rule allow for special payment and disconnection procedures for any qualifying Residential Customer. The rule allows a qualifying Residential Customer the opportunity to retain or restore Service during the designated cold weather period and enter into a payment agreement with BPU. The cold weather period extends from November 1 through March 31.

5.02 Customer's Responsibilities

5.02.01 Any Residential Customer with unpaid arrearage owed to BPU will qualify under the Cold Weather Rule provided Customer complies with the following provisions:

- a. Informs the BPU of the inability to pay a bill in full;
- b. Gives BPU sufficient information to develop an appropriate payment agreement;
- c. Applies for federal, state, local, or other utility assistance funds for which Customer may be eligible;
- d. Makes an initial payment of one-twelfth of Customer's arrearage and one-twelfth of Customer's bill for current consumption during the most recent billing period for which Service was provided, plus the full amount of any disconnection and reconnection fees, plus any outstanding, past-due Security Deposit(see Section 5.03.05 for additional information); and
- e. Enters into a payment agreement with BPU setting forth the terms of Customer's obligation to pay past, current, and future charges for Service. Such payment agreement shall allow Customer's unpaid account balance, less billed Security Deposit, to be amortized over a period not exceeding eleven (11) months.

5.02.02 In addition, a payment agreement may contain arrangements mutually agreeable and individualized to Customer's particular situation.

5.02.03 Notwithstanding the requirements for an initial payment described above, BPU may accept a lesser amount when it is able to verify special circumstances of need, provided that the initial payment and future installments will eliminate Customer's entire arrearage.

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5.03 BPU's Responsibilities

5.03.01 BPU's responsibilities under the Cold Weather Rule are outlined as follows:

a. In addition to the requirements of Section 6.0, Discontinuance of Service, BPU shall, notify, or attempt to notify, by making one attempt by personal contact (collection) with customer of record at least one (1) day prior to disconnection of service if phone contact on that day was not made. If the Customer is not contacted during the phone call(s) or the personal contact prior to the disconnection of service, BPU employee shall leave cut off notice at customer's premise. There will be no more than one collection charge assessed in accordance with Section 10, Fee Schedule during the Cold Weather Period as described in Section 5.01.01.

5.03.02 On the day of disconnection, BPU must receive a 24-hour forecast above the activating temperature from the National Weather Service. If the temperature is then forecasted to be below the activating temperature, the disconnection shall not be carried out and BPU must wait for another 48-hour forecast above the activating temperature and follow the same procedure prior to disconnection.

5.03.03 BPU shall inform Customer, in the telephone contact, with the normal ten (10) day disconnect notice prepared in accordance with Section 6.0, Discontinuance of Service, the personal contact, and the additional disconnect message left on the Customer's door of the following information:

a. That BPU operates under a Cold Weather Rule and that there are opportunities for Customer to avoid discontinuance of Service by complying with the Customer's Responsibilities;

b. That Customer must meet the requirements set forth in subsection 5.02, Customer's Responsibilities;

c. That BPU maintains a list of organizations from which funds may be available to pay utility bills;

d. Inform the Customer of, or provide a list of all pay arrangements for which the Customer may qualify. Prior to discussing any Cold Weather Rule payments over a period of fewer than 12 months, the BPU shall inform the Customer of the Customer's right to have an average pay plan for current and future consumption and to have the arrearage amount paid through an initial payment and equal installments over the next eleven (11) months;

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e. That BPU offers a third party notification plan; and

f. That formal and informal complaint procedures are available to Customer prior to termination during the cold weather period. BPU shall provide Customer the telephone number of the Commission's Consumer Protection Office.

5.03.04 Except as specified in Section 6.0 Discontinuance of Service, BPU shall not disconnect Customer's Service when the local National Weather Service office has forecasted the temperature to drop below 35 degrees Fahrenheit or colder than 35 degrees within the next 48-hour period.

5.03.05 BPU will not assess Customer an additional Security Deposit as a condition for qualification under the Cold Weather Rule. However, an assessment of a Security Deposit made under the provisions of the existing standards and in conjunction with the Cold Weather Rule is appropriate if amortized over the payment plan period. The Security Deposit shall not be amortized over a period less than the period stated in Section 3.05.02.

5.04 Default

5.04.01 Unless subsequently cured by Customer, if Customer provides BPU with a check, electronic payment or draft with insufficient funds for the initial payment or for any installment of the payment plan, then Customer shall be in default of the Cold Weather Rule Payment Plan. A Customer that defaults on a Cold Weather Rule Payment Plan shall be eligible to enter into a new Cold Weather Rule Payment Plan if it complies with the provisions of Section 5.02, Customer's Responsibilities. This includes making an initial payment and payment of any disconnect or reconnect charges. Once Customer has been informed of the payment plans offered under the Cold Weather Rule, any payment plan that is negotiated by Customer and BPU shall be considered to be a Cold Weather Rule Payment Plan. However, a Customer with a payment plan of less than eleven (11) months shall not be in default of that payment plan if the payments made prior to the Customer's default are equal to or greater than the amount that would have been required under an eleven (11) month payment plan.

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5.05 Cure of Default5.05.01 Customer may cure a default of a payment agreement caused by:

- a. Making an initial payment as required in Section 5.02, Customer's Responsibility;
- b. Paying all disconnection and reconnection charges incurred as a result of the default; and
- c. Complying with all other provisions of the Cold Weather Rule. Any charges for Service incurred during Customer's default shall be included in the payment agreement between BPU and Customer.

5.05.02 Customer may cure default caused by theft or diversion of Service by:

- a. Paying for the value of the Service diverted, estimated based on historic use;
- b. Making an initial payment as required under Section 5.02, Customer's Responsibilities;
- c. Paying all disconnection and reconnection charges incurred as a result of Customer's default; and
- d. Complying with all other provisions of the Cold Weather Rule. All other charges, costs, damages, and Security Deposits provided for under BPU's General Terms and Conditions when Customer has Tampered or fraudulently used BPU's facilities shall be included in the payment agreement between BPU and Customer.

5.06 Renegotiation of Cold Weather Rule Agreement

5.06.01 Customer may contact BPU and renegotiate its Cold Weather Rule payments if Customer receives utility or other lump sum assistance.

5.07 Disconnections under the Cold Weather Rule

5.07.01 The BPU may disconnect Customer's Service after proper notice is given pursuant to the provisions detailed in Section 6.0 Discontinuance of Electric Service. The disconnection provisions are modified during the Cold Weather Rule period as follows:

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a. BPU may disconnect Customer when Customer causes or permits unauthorized use, interference, Tampering or diversion of Service (meter bypass) on or about Customer's premises;

i) After a 48-hour written or 24-hour oral disconnection notice is provided to Customer with the telephone number of the Commission's Protection Office, or;

ii) Ten (10) days after a disconnection notice is sent, whichever is quicker;

iii) Service must be restored as soon as possible, using every commercially reasonable effort, after full payment has been made by Customer for the diversion charges.

5.07.02 BPU may disconnect when Customer misrepresents their identity or provides false information for the purpose of obtaining or retaining Service:

a. After a 48-hour written or 24-hours oral disconnection notice is provided to Customer with the telephone number of the Commission's Protection Office, or;

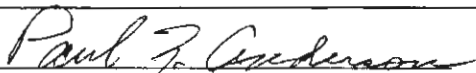
b. Ten (10) days after a disconnection notice is sent, whichever is quicker.

5.07.03 BPU may disconnect when a Customer tenders an insufficient funds check or electronic payment at the initial payment or an installment payment under a Cold Weather Rule payment plan and does not cure the insufficient payment within the ten (10) day notice period after a disconnection notice is sent regardless of temperature.

5.08 Third Party Notifications

5.08.01 Upon mutual agreement between BPU, Customer and any interested third party, BPU will notify such third party when Customer's bill becomes delinquent. The purpose of this agreement is to afford Customer all available methods to maintain the account balance on a current basis and retain Service. Other than providing notice, BPU shall have no responsibility to the third party and the third party shall have no obligation to pay Customer's delinquent bill, unless the third party has entered into a written agreement.

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SECTION 6 - DISCONTINUANCE OF SERVICE**6.01 Conditions for Discontinuing Service**

6.01.01 BPU may discontinue or refuse Service for any of the following reasons:

- a. Upon Customer's request;
- b. When Customer abandons Service;
- c. When Customer's Service bill becomes delinquent (past due), as provided in Section 4.11, Delinquent Bills, and after proper notice to Customer as provided in Section 6.02, Disconnect Procedure;
- d. When a dangerous condition exists on Customer's premise;
- e. When Customer causes or permits unauthorized use, interference, Tampering or diversion of Service (meter bypass) on or about Customer's premises;
- f. When Customer misrepresents their identity or provides false information for the purpose of obtaining or retaining Service;
- g. When Customer, in BPU's sole discretion, uses or misapplies Service which results in an unsatisfactory condition affecting the quality, safety or continuity of Service to other Customers or it is necessary to maintain the integrity of the BPU's System;
- h. When Customer fails to provide credit information, a Security Deposit or guarantee as may be required by Section 3, Security Deposits, or has a previous undisputed and unpaid separate account for Service with BPU;
- i. When Customer refuses to grant BPU's personnel access, during normal working hours, to BPU facilities installed upon Customer's premises for the purpose of inspection, meter reading, maintenance or replacement;
- j. When Customer tenders an insufficient funds check or electronic payment under a Cold Weather Rule payment plan or for any other payment for Service, and does not cure the insufficient payment during the 10-day notice period after a disconnection notice is sent; or
- k. When Customer resells Service without the written consent of BPU;

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I. Notwithstanding the above, the Cold Weather Rule modifies certain conditions that permit BPU from discontinuing Service to Customer. These modifications are detailed in Section 5.07, Cold Weather Rule and takes precedence.

6.02 Disconnect Procedures – BPU may disconnect a Customer;

6.02.01 On ten (10) days written notice for the reasons set forth in Section 6.01.01; or

6.02.02 Immediately, if disconnection is made for any of the following reasons:

- a. Upon Customer's request;
- b. When Customer abandons Service;
- c. When a dangerous condition exists on Customer's premises;
- d. When Customer, in BPU's sole discretion, uses or misapplies the Service resulting in an unsatisfactory condition affecting the quality, safety or continuity of Service to the other Customers;
- e. It is necessary to maintain the integrity of BPU's system;
- f. When Customer causes or permits unauthorized use, interference, Tampering or diversion of Service (meter bypass) on or about Customer's premise; or
- g. When Customer operates a generator that can energize the utility's system without a double throw switch.
- h. When Customer tenders an insufficient funds check or electronic payment and 10 days has lapsed after due date.

6.02.03 When disconnection occurs due to conditions listed in Section 6.01.01 (d) and (g) are discovered by BPU, BPU may disconnect Service immediately. Service will be restored as soon as possible after the physical problem(s) has/have been corrected.

6.02.04 If BPU has knowledge that persons other than Customer or members of Customer's family are residing at the premises where unauthorized interference, Tampering, diversion of Service (meter bypass) is taking place, then BPU shall give such persons a two (2) day written or twenty-four (24) hour oral notice prior to disconnection of Service.

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6.02.05 If BPU can prove that a Customer has received Service by using a false identity as specified in Section 6.01.01(f), BPU may disconnect Customer:

- a. Forty-eight (48) hours after a personal or phone contact is made with Customer of record or;
- b. Ten (10) days after a disconnect notice is sent, whichever is quicker.

6.02.06 Notice of Discontinuance of Service

- a. BPU shall send Customer a disconnection notice ten (10) days prior to disconnection which shall be effective upon mailing and shall be effective for one (1) month after the initial date upon and after which Service can be disconnected. BPU shall maintain an accurate record of the date of mailing and the effective dates of the notice.
- b. BPU shall notify, or attempt to notify, Customers by phone at least two (2) days prior to disconnection.

6.02.07 The disconnection notice shall be sent separately from other utility bills, information or advertising to the account name and address and, in the case of residential occupancy, to the address where Service is provided. If a proposed disconnection involves more than one (1) residential dwelling unit, then the disconnection notice shall be posted in the residential common area at least five (5) days prior to the disconnection date.

6.02.08 The disconnection notice shall contain the following information:

- a. The name and address of Customer and in the case of a residential dwelling the address, if different, where Service is provided;
- b. A clear and concise statement of the reason for the proposed disconnection of Service and the cost and conditions for reconnection;
- c. The date on or after which Service will be discontinued unless Customer takes appropriate action;
- d. Terms under which Customer may avoid disconnection;
- e. A statement that disconnection may be postponed or avoided if Customer can demonstrate that special circumstances prevent complete payment and satisfactory credit arrangements are made with BPU for that amount not in dispute;

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f. A statement to inform Customer of the availability of an administrative procedure which may be utilized in the event of a bonafide dispute or other circumstances. The address, telephone number and name of BPU's office or personnel empowered to review disputed bills, rectify errors, and prevent disconnection, shall be included. The notice shall state that Customer may meet with a designated employee of BPU and may present Customer's reasons for disputing a bill. The notice shall also state BPU's reasons for disconnection, requesting credit arrangements or requesting a postponement of disconnection; and

g. A statement of Customer's responsibility if the disconnection is scheduled to occur at any time during the period from November 1 through March 31.

6.02.09 BPU may disconnect a Customer only if its authorized payment locations are open to a Customer on the following schedule:

- a. One hour after disconnection; and
- b. The full work day following disconnection, BPU personnel and/or authorized agents identified in the notice given pursuant to this section are open and available to Customer for the purpose of making pay arrangements, preventing disconnection or providing for reconnection, unless disconnection is pursuant to subsections 6.01.01 (a), (d), (e), or (g).

6.02.10 BPU may disconnect a Customer only if BPU's employee that is sent to disconnect Customer's Service shall, immediately prior to disconnection, make a reasonable effort to:

- a. Contact Customer or responsible person then upon the premises and shall announce the purpose of BPU's presence;
- b. Identify and record the name of the person contacted;
- c. Accept payment of all amounts tendered to BPU, which are necessary to avert disconnection;
- d. Record statements disputing the accuracy of the delinquent bill;

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- e. Record statements disputing the accuracy of BPU's findings concerning the cause for discontinuance;
- f. Record statements concerning the medical condition of any permanent resident of the premises;
- g. During the period from November 1 through March 31:
 - i) inform Customer of the Cold Weather Rule;
 - ii) inform Customer that they can avoid disconnection by complying with Section 5.02 Customer's Responsibilities, during the Cold Weather Rule period;
 - iii) inform Customer of the availability of a list of organizations where funds are available; and
 - iv) provide a list of all other pay arrangements for which Customer might qualify.
- h. When Customer cannot be contacted at the time of disconnection, BPU shall leave a cutoff notice giving the address and telephone number of BPU where Customer can arrange to have Service restored.

6.02.11 Postponement of Discontinuance in Special Circumstances

- a. If a Residential Customer establishes with BPU that disconnection would be especially dangerous to the health of Customer, resident member of Customer's family or other permanent resident at Customer's Service address, and Customer is unable to pay for Service in accordance with the requirements of BPU's billing or can pay for Service only in installments, then disconnection of Service shall be postponed for at least twenty-one (21) days. Such postponement is to allow Customer to arrange a reasonable installment payment schedule with BPU.
- b. Consideration shall be given to the weather, and Customer's or other resident's medical condition, age or disability, in determining whether disconnection would be especially dangerous to health. Customer may establish that disconnection of Service would be especially dangerous to the health of Customer, resident members of Customer's family, or other permanent resident of the premises where Service is rendered by obtaining a statement signed by a physician or public health official, within the last 12 months, verifying that fact and forwarding or presenting it to BPU's office prior to or on the date of disconnection.

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6.03 Conditions Insufficient to Cause Disconnection of Service

BPU shall not disconnect or refuse Service for any of the following reasons:

- a. Customer's failure to pay for special charges other than those specifically identified in BPU's approved Rate Schedules and Terms and Conditions;
- b. Customer's failure to pay for Service received at a concurrent and separate metering point, residence or location. In the event of discontinuance or termination of Service at a separate metering point, residence or location in accordance with these rules, BPU may transfer any unpaid balance to any other Service account with a Customer's written consent. However, if Customer fails to pay a final bill at any metering point, residence or location, BPU may transfer such unpaid balance to any successive Service account opened by Customer for the same class of Service. Also, BPU may discontinue Service at such successive metering point, residence or location for nonpayment of such transferred amount;
- c. Customer's failure to pay for a different class of Service received at the same location. It shall not be considered as a separate class of Service if more than one meter is placed at the same location for the purpose of billing the usage of specific devices under optional Rate Schedules or provisions;
- d. Customer's failure to pay a bill which is in dispute; provided, however that Customer pays that portion of the bill not in dispute; or
- e. Customer's failure to pay an undisputed and unpaid account which has accrued and is more than five (5) years old.

6.04 Restoration of Service

6.04.01 BPU shall restore Service upon Customer's request, when the cause of disconnection has been eliminated, a reconnection charge and all other applicable charges have been paid and, if necessary, satisfactory credit arrangements have been made. BPU shall at all times, make every reasonable effort to promptly restore disconnected Service on the day requested by Customer. No service shall be restored after 8:00 p.m. In any event, BPU shall restore Service to Customer no later than the next business day following the day requested by Customer.

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6.05 Review of Disputes

6.05.01 When a Customer advises the BPU, prior to the date of the proposed discontinuance of Service, that all or any part of the billing as rendered is in dispute or that the BPU's reasons for discontinuance are factually invalid, the BPU will:

- a. Immediately record the date, time, and place the complaint is made;
- b. Postpone discontinuance until a full investigation is completed and the dispute is found to be invalid;
- c. Investigate the dispute promptly and completely; and
- d. Attempt to resolve the dispute informally and in a manner mutually satisfactory to both parties.

6.05.02 A Customer may advise the BPU that a bill is in dispute in any reasonable manner such as by written notice, in person, or by a telephone call directed to the appropriate personnel of the BPU.

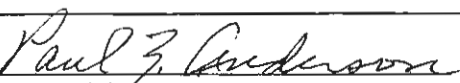
6.05.03 The BPU, in attempting to resolve the dispute in a mutually satisfactory manner, may employ telephone communication, personal meetings, formal or informal hearings, on-site visits, or any other technique reasonably conducive to settlement of the dispute.

6.05.04 Initially, the Customer will have the burden of showing or establishing to the satisfaction of the BPU that all or any part of the billing is erroneous or that the BPU's reasons for discontinuance are factually invalid.

6.06 Collection, Disconnection, Reconnection and Tampering Charges

6.06.01 If collection of a Service bill is attempted at the Customer's premises, the BPU will require a Collection Charge pursuant to Section 10.01, Fee Schedule.

6.06.02 Except when requested by the Customer, if Service is disconnected for reasons stated in Section 6.01.01(c, e, f, h, i, or j) or 6.02.02(h) the BPU will require a Disconnection Charge pursuant to Section 10.01, Fee Schedule. If Service cannot be disconnected at meter due to Customer interference, or if the service cannot be disconnected by removing the meter, disconnection of Service at pole or pedestal will be collected from Customer by BPU pursuant to Section 10.08, Fee Schedule.

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6.06.03 When a Customer has been disconnected for conditions in Section 6.01.01, Conditions for Discontinuing Service, BPU may require a reconnection charge as specified in Section 10.04, Fee Schedule or Section 10.09, Fee Schedule if the reconnection request is made by 3:30 p.m. on business days.

6.06.04 When a Customer has been disconnected for conditions in Section 6.01, Conditions for Discontinuing Service, BPU may require a Service Charge for reconnection of Service after 3:30 p.m. on business days and weekends, as specified in Section 10.02, Fee Schedule or Section 10.03, Fee Schedule.

6.06.05 If Service has been disconnected because of an unauthorized use, interference, Tampering or diversion of Service (meter bypass), Customer shall pay BPU an amount estimated by BPU to be reasonable payment for Service used and not paid for, plus the Tampering and Lock Ring Charge pursuant to Sections 10.07 and 10.10, Fee Schedule.

6.06.06 Repairs for any damage to a meter or meter setting caused by Meter Tampering and or diversion of Service, will be billed to the Customer at cost.

6.06.07 Unless otherwise specified in the Service Agreement, in the event a Customer orders a disconnection and a reconnection of Service at the same premises within a twelve month period, the BPU will collect, as a Reconnection Charge, the sum of the minimum bills, which may include the Service Charge, Demand Charge, Purchased Capacity Charge and Transmission Charge, as would have occurred during the period of disconnection, but in no event less than the Reconnection Charge pursuant to Section 10.04, Fee Schedule.

6.06.08 In the event the combination of a landlord/property owner and tenant for a residential rental property orders a disconnection and a reconnection of Service at the same premises within a twelve month period, the BPU may collect from the landlord/property owner, as an additional charge, the greater of the sum of such minimum bills as would have occurred during the period of disconnection, the Reconnection Charge pursuant to Section 10.4, Fees Schedule, or actual labor costs to disconnect and reconnect Service. At the landlord/property owner's request, BPU shall enter into a landlord agreement with the landlord/property owner whereby Service is automatically transferred to the landlord's name when a tenant vacates the premises.

6.06.09 Any Collection, Disconnection, or Reconnection Charges and all other utility charges due will be paid before Service is restored. These charges are in addition to any deposit that may be required by the BPU before Service is restored.

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6.06.10 If Customer connects Service without BPU's consent, BPU will assess a Tampering and Locking Ring Charge pursuant to Section 10.07 and 10.10, Fee Schedule.

6.07 Locking Ring Device

6.07.01 BPU may install a Locking Ring Device on meter installations of Customers provided there is evidence of a Customer reconnecting Service after a disconnection (self turn on) or evidence of Tampering with the meter in an effort to alter the meter reading, theft of Service or diversion of Service. The BPU will assess a Locking Ring Charge pursuant to Section 10.07, Fee Schedule.

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SECTION 7 - CUSTOMER'S SERVICE OBLIGATIONS

7.01 Customer to Furnish Right-of-Way: Customer shall make or procure conveyance to BPU for right-of-way, satisfactory to BPU, across property owned or controlled by Customer or others, for the construction, operation and maintenance of BPU's facilities necessary or incidental to the supplying of Service to Customer.

7.02 Access to Customer's Premises: The Customer will give the duly authorized agents and employees of the BPU full and free access to the premises of the Customer for the purpose of constructing, installing, inspecting, adjusting, repairing, maintaining, replacing, reading meters, disconnecting Service, or removing any of the BPU's facilities on the premises of the Customer, or for any other purpose incidental to the Service supplied by the BPU.

7.03 Customer's Wiring, Fixtures, Piping and Appliances

7.03.01 Customer's Responsibility: Customer shall be responsible for all electric wiring, and/or water piping and equipment on Customer's side of the Point of Service and shall save BPU harmless against all claims for injuries and/or damages to persons or property resulting from the supplying and taking of Service for the use thereof on Customer's side of the Point of Service.

7.03.02 Multi-Metering Installations: Where building or premises are occupied by more than one Customer, BPU will set as many meters as there are separate applications for Service. Customer's wiring and/or piping shall be so arranged as to permit the installation of BPU's meters adjacent to each other and shall not be interconnected. Customer's wiring and/or piping shall be clearly and permanently marked to indicate the particular Customer supplied by it.

7.04 Standards and Approvals of Customer's Facilities

7.04.01 Compliance with Safety Requirements: Electric Service entrances, switch boxes, service cabinets, switches, fuse blocks, meter bases or sockets, conduit, wiring, connections and equipment and the installation thereof for the reception and control of electric power delivered to Customer, shall be acceptable to BPU and shall meet the requirements of the National Electric Code and comply with any applicable state and municipal codes. In accordance with the ruling of the National Board of Fire Underwriters, meter receptacles, service boxes, conduits, and wiring on Customer's premises shall be permanently grounded for Customer's protection.

7.04.02 Any and all wiring, fixtures, piping, appliances, or equipment required to transform, control, regulate, or utilize beyond the Point of Service will be the sole responsibility of the Customer.

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7.05 Protection of BPU's Property

7.05.01 The Customer at all times will protect the property of the BPU on the premises of the Customer and will permit no person other than the employees and agents of the BPU and other persons authorized by law to inspect, work on, open, or otherwise handle the wires, meters, or other facilities of the BPU. Any infraction of this rule will be considered sufficient cause for discontinuance of Service immediately, without notice under Section 6.01.01 (e) and be cause for assessing a Meter Tampering Charge pursuant to Section 10.10, Fee Schedule.

7.05.02 In case of loss or damage to the property of the BPU because of any carelessness, neglect, Tampering, or misuse by the Customer, any member of the Customer's family, or Customer's agents, servants, or employees, the Customer will reimburse the BPU for the cost of any necessary repairs to or replacement of such facilities or the BPU's stated book value of such facilities and be cause for assessing a Meter Tampering Charge pursuant to Section 10.10, Fee Schedule.

7.06 Tampering, Theft, Diversion or Fraudulent Use of BPU's Facilities

7.06.01 The BPU may discontinue Service to a Customer under Section 6.01 and remove its facilities from the Customer's premises, if evidence is found that any portion of the BPU's facilities have been Tampered with in such manner that the Customer may have received unmetered Service or in the event evidence of fraudulent use of Service in any manner, including fraudulent meter reading, is discovered.

7.06.02 Tampering with and Care of BPU's Property: Only BPU's representatives or other persons authorized by BPU shall be permitted to repair or remove BPU's meter or facilities, or any of BPU's property on or about Customer's premises. Any unauthorized person Tampering with BPU's meter or facilities shall be cause for immediate discontinuance of Service and be cause for assessing a Meter Tampering Charge as stated in Section 10.10, Fee Schedule. Any seals placed by BPU on meters shall not be broken or disturbed by anyone other than authorized representatives of BPU.

7.06.03 Theft or Diversion of Service: BPU reserves the right to discontinue Service to a Customer under Section 6.01 and remove its facilities from Customer's premises: (1) where evidence is found of Tampering or interfering with the proper functioning of a meter installation; or (2) for any theft or fraudulent use of Service. Customer shall be subject to prosecution under applicable laws and BPU shall be entitled to collect from Customer, at the appropriate rate, for all estimated electric power, energy or water not recorded on the meter by reason of such Tampering, interfering, theft, or diversion of

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Service. Such amount may be estimated by BPU from the best available data, and collected together with all expenses incurred by BPU on account of such unauthorized act(s). BPU may, in addition, require Customer to provide at Customer's cost a meter installation as specified by BPU and be cause for assessing a Meter Tampering Charge pursuant to Section 10.10, Fee Schedule.

7.07 Indemnity to BPU

7.07.01 The Customer will indemnify, save harmless, and defend the BPU against all claims, demands, costs or expense, or loss, damage, or injury to persons or property, in any manner directly or indirectly connected with, or growing out of the distribution or use of Service by the Customer at or on the Customer's side of the point of delivery.

7.07.02 The Customer will indemnify, save harmless, and defend the BPU against all claims, demands, costs or expense for trespass, injury to persons, or damage to lawns, trees, shrubs, buildings, or other property that may be caused by reason of or related to installation, maintenance, or replacement of BPU's service lines or other necessary appurtenances to serve Customer, unless the injury to persons or damage to property has been caused by willful default or gross negligence on the part of the BPU.

7.08 Double Throw Switch

7.08.01 Customers may provide Electrical Service on their premises to operate equipment during periods of emergency when BPU's Service is interrupted. A double throw switch, of an approved size and type, will be installed and maintained at the expense of the Customer to separate the facilities of the Customer from those of the BPU when such equipment is in use. Any infraction of this rule will be sufficient cause for discontinuance under Section 6, Discontinuance of Service and Service will not be restored until double throw switch is installed.

7.09 Notice To BPU to Discontinue Service

7.09.01 Any contract made for Service shall continue in full force and effect during its term. Service shall be terminated by Customer in accordance with the terms of the Service Order. If no terms are specified, the Customer terminating Service will be held responsible for all Service supplied to such premise up to three (3) business days after receipt of notice to terminate service is given to BPU. In the case of rental property, the owner may contact in writing for Service to be continued automatically in owner's name, with full responsibility for payment of all Service thereafter delivered, when Service is terminated at the request of any tenant.

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7.10 Power Quality Disturbances

7.10.01 Customer shall not employ or utilize any equipment, appliance or device that will adversely affect BPU's Electric Service to other Customers. Customer may be required to install and maintain at Customer's own expense suitable apparatus to reasonably limit voltage fluctuation where Customer uses Electric Service for:

- a. the operation of hoists;
- b. welding machines;
- c. x-ray machines;
- d. electric furnaces;
- e. variable frequency drives;
- f. AC to DC converters;
- g. switching power supplies;
- h. electric motors;
- i. equipment employing semi-conducting switching technology or load characteristics which produce harmonic levels above those recommended in IEEE Standard 519, latest revision; or
- j. other equipment with intermittent or rapidly fluctuating load characteristics which adversely affect voltage or impair BPU's Service to other Customers.

Alternatively, BPU may adjust the billing basis provided in the Rate Schedule or Rider or Service Order to compensate for the necessary power capacity required to serve foregoing type of equipment.

7.10.02 Inspection by BPU: BPU reserves the right to inspect Customer's installation at any time and to refuse to supply or to continue Service whenever BPU determines, in its sole discretion, that Customer's installation is not in good operating condition. BPU does not assume any responsibility in connection with such installation or the inspection thereof.

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SECTION 8 - BPU'S SERVICE OBLIGATIONS**8.01 Delivery of Service**

8.01.01 The obligation of the BPU to supply Service will be completed by the supplying of such Service at the Point of Service. The responsibility of the BPU for the quality of Service and operation of its facilities ends at the Point of Service.

8.01.02 The BPU will not be liable for any loss, damage, or injury whatsoever caused by leakage, escape, or loss of electric energy or water after it has passed the Point of Service, nor for defects in the Customer's wiring, piping, fixtures, appliances, or equipment. The BPU will not be liable for any loss, damage or injury whatsoever caused by the simple negligence of the BPU.

8.01.03 Absent separate agreement, the BPU will furnish, install, and maintain only one connection from its distribution facilities, one Service line from such connection to the Point of Service, and one meter to measure such Service to the Customer for each class of Service.

8.02 Property of the BPU

8.02.01 All facilities furnished and installed by the BPU on the premises or off the premises of the Customer for the supply of Service to the Customer will be and remain the exclusive property of the BPU. All facilities on the premises of the Customer which are or become the property of the BPU will be operated and maintained by the BPU, may be replaced by the BPU at any time, and may be removed by the BPU upon termination of the Customer's Service Order or upon discontinuance by the BPU of Service to the Customer for any reason.

8.03 Continuity of Service

8.03.01 The BPU will use reasonable diligence to supply continuous Service to the Customer, but does not guarantee the supply or quality of Service against irregularities or interruptions. Except where due to the BPU's willful misconduct or gross negligence, the BPU shall not be considered in default of its Service Order and shall not be liable in negligence or otherwise of any claims of loss, expense or damage (including indirect, economic, special or consequential damage) regardless of the cause.

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8.04 Curtailment, Interruption, or Suspension of Service

8.04.01 The BPU will have the right to curtail (including voltage reduction), interrupt, or suspend Service to the Customer as may be necessary for the inspection, maintenance, alteration, change, replacement or repair of electric or water facilities, or for the preservation or restoration of its system operations or of operations on the part of the interconnected electric systems of which the BPU's system is a part or as directed by any federal, state, or municipal authority.

8.05 Restoration of Service

8.05.01 In all cases of curtailment, irregularity, interruption, or suspension of Service, the BPU will make every reasonable effort to restore Service without unnecessary delay.

8.05.02 The BPU will not be considered in default of the Service Order or these Terms and Conditions with Customer, and will not otherwise be liable for any damage occasioned by any curtailment, irregularity, interruption, or suspension of Service. The Customer will not be relieved from charges provided for in the Rate Schedules because of curtailment, irregularity, interruption, or suspension of Service.

8.06 Liability of BPU

8.06.01 Except where due to the BPU's willful misconduct or gross negligence, the BPU shall not be liable in negligence or otherwise for any claims for loss, expense or damage (including indirect, economic, special or consequential damage) resulting from: fluctuations in, interruption of or curtailment of Service; delivery delay; breakdown or failure of or damage to facilities; any electric curtailment or disturbance originating on or transmitted through electric systems with which the BPU's system is interconnected; act of God or public enemy; strikes or other labor disturbances involving the BPU or the Customer; or by action or order of civil, military or governmental authority.

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SECTION 9 - METERING**9.01 Metering Installations**

9.01.01 If electric metering installations are to be made on premises not previously supplied with electricity by BPU, Customers will furnish and install, at their expense, outside metering installations in accordance with BPU's plan.

9.02 Separate Metering

9.02.01 Where BPU's Rate Schedules provide for separate metering of different classes of Service, Customer's wiring will be so arranged that each class of Service can be metered separately. No more than one set of service wires will be run to one building or premises for each class of Service furnished to the Customer.

9.03 Relocation of Meters

9.03.01 If changes that involve the replacement or relocation of entrance wires, entrance switches, etc., are to be made in existing wiring installations, outside meter installation will be provided at Customer's expense in accordance with BPU's policies.

9.03.02 If Customer elects to change location of meters, the cost will be borne by Customer and will be done in accordance with BPU's policies.

9.03.03 If in the normal course of providing Service, BPU desires Customer's meter to be relocated, such will be done at the expense of BPU.

9.04 Meter Seals

9.04.01 Seals will be placed on all meters or meter enclosures by BPU and such seals will not be broken or disturbed by anyone other than authorized representatives of the BPU. If meter seal is broken, Customer may be assessed a Tampering Charge pursuant to Section 10.10, Fee Schedule.

9.05 Meter Accuracy and Testing

9.05.01 The accuracy and testing of BPU's meters will be in accordance with these Terms and Conditions.

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9.05.02 Whenever any test by BPU of a meter, while in service or upon its removal from service, shall show such meter to have an average error of more than two percent (2%) fast or two percent (2%) slow, the following provisions for the adjustment of the Electric or Water Service bill shall be observed:

a. The error found shall be considered for the purpose of these rules to have existed for not more than a 12-month period preceding the test or for the time the meter has been in service at the location if less than the 12-month period, or from the actual time the meter became damaged or the situation began if such time can be determined in BPU's reasonable discretion, in which case the over or undercharge shall be computed back to but not beyond such date.

b. If the meter is found to be faster than allowable, BPU shall refund to the Customer concerned any overcharge caused thereby during the period of inaccuracy of the meter as defined in (a) above. The actual error of the meter and not the difference between the allowable error and the error of the meter as found will be used as the basis for calculating the refund.

c. If the meter is found to under-register, the BPU may render a bill to the Customer concerned for the estimated consumption not covered by bills previously rendered during the period of inaccuracy as defined in the preceding paragraphs. Such action may be taken, however, only in cases where the bill for estimated inaccuracy amounts to five dollars (\$5.00) or more, and all such bills will be conditional upon the BPU's not being at fault for allowing the inaccurate meter to remain in service. The BPU will in no case render a bill for under-registration where a meter has been found to be slow, unless the particular meter has been tested in conformity with the provisions of this section.

d. BPU shall, in the case of a non-registering meter, estimate the charge for the energy or water used during the period of non-registration by averaging the amount registered over similar periods preceding and subsequent thereto, or over corresponding periods in previous years.

e. BPU bears the cost of meter testing. However, a Customer who requests a special meter test shall be required to pay a Meter Test Charge pursuant to Section 10.6, Fee Schedule, unless the meter tests outside allowable limits as defined herein.

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9.06 Demand Meters

9.06.01 Whenever any test, by the BPU of a demand meter, while in service or on its removal from service, shows such meter to be more than two percent (2%) in error, the provisions covering the adjustment of charges in the case of service kWh meters will be observed insofar as they are applicable. If the demand meter depends upon actuations from the kWh meter or its readings, the average error of the demand meter will be determined from the heavy load accuracy of the watt-hour meter in conjunction with the accuracy of the demand meter itself.

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SECTION 10 - FEE SCHEDULE

| | | |
|-------|--|----------|
| 10.01 | Collection or Disconnection at Meter Charge (5.03.01, 6.06.01, 6.06.02) .. | \$15.00 |
| 10.02 | After Hours Reconnection at Meter Charge (6.06.04)..... | \$84.00 |
| 10.03 | After Hours Reconnection at Pole or Pedestal Charge (6.06.04) | \$191.00 |
| 10.04 | Reconnection at Meter Charge (6.06.03, 6.06.07, 6.06.08)..... | \$20.00 |
| 10.05 | Insufficient Funds Charge (4.03.01 (a, c), 4.03.04, 4.03.05 (d))..... | \$30.00 |
| 10.06 | Meter Test Charge (9.05.02(e))..... | \$40.00 |
| 10.07 | Lock Ring Charge (6.06.05, 6.06.10, 6.07.01) | \$15.00 |
| 10.08 | Disconnection of Service at Pole or Pedestal (6.06.02) | \$139.00 |
| 10.09 | Reconnection of Service at Pole or Pedestal (6.06.03) | \$139.00 |
| 10.10 | Meter Tampering Charge (6.06.05, 6.06.10, 7.05, 7.06, 9.04.01)..... | \$156.00 |
| 10.11 | Convenience Fee (4.03.03)..... | \$2.45 |

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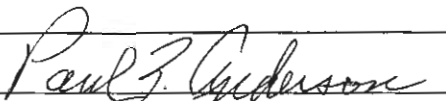
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SECTION 11 - REVISION TRACKING

| SECTION | TITLE | EFFECTIVE REVISION DATE | REPLACED REVISION |
|------------|--------------------------------|-------------------------------|----------------------|
| Section 1 | Definitions | 10/1/2014 | 09/1/2012 |
| Section 2 | Application for Service | 10/1/2014 | 9/1/2012 |
| Section 3 | Security Deposits | 10/1/2014 | 9/1/2012 |
| Section 4 | Billing and Payment | 10/1/2014 | 9/1/2012 |
| Section 5 | Cold Weather Rule | 10/1/2014 | 9/1/2012 |
| Section 6 | Discontinuance of Service | 10/1/2014 | 9/1/2012 |
| Section 7 | Customer's Service Obligations | 10/1/2014 | 8/1/2012 |
| Section 8 | BPU's Service Obligations | 8/1/2012 | New |
| Section 9 | Metering | 10/1/2014 | 8/1/2012 |
| Section 10 | Fee Schedule | 8/1/2012 | 2/16/2009 |

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