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**Basis of Rates**

Unless otherwise specifically provided in the rate schedule or contract, Company's rates are based upon the furnishing of electric service to Consumer's premises at a single point of delivery and at a single voltage and phase classification.

- A. Individual Consumer:** Except as specifically provided elsewhere in this Tariff, each separately operated business activity and each separate building will be considered an individual Consumer for billing purposes, except that if several buildings are occupied and used by one Consumer in the operation of a single and integrated business enterprise, the Company will furnish electric service for the entire group of buildings through one service connection at one point of delivery, provided all such buildings are at one location on the same lot or tract, or on adjoining lots or tracts forming a contiguous plot wholly occupied and used by the Consumer in the operation of such single business enterprise.
- B. Reactive Power:** All rate schedules in this Tariff are based upon the minimizing by Consumer of the taking of reactive power.
1. The reactive kilovolt-ampere demands may be determined either by permanently installed instruments or by test and, when determined by test, the resulting reactive demand will remain in effect until a new determination is made.
  2. If Consumer installs and owns facilities needed to supply the required reactive power, suitable disconnecting switches shall be installed to automatically disconnect such facilities from Company's lines whenever Consumer's load is disconnected therefrom. When reactive power correction equipment is installed by Consumer, such equipment must be connected and switched in a manner acceptable to Company.
- C. Unmetered Service:** Service to fixed loads, with fixed periods of operation, such as street lights, traffic lights, television amplifiers and other similar installations may, for the convenience and mutual benefit of the Consumer and Company, be unmetered. The average monthly use (one-twelfth of the annual use determined by test or estimated from equipment ratings) shall be billed monthly in accordance with the applicable schedule.
- D. Billing Quantities:** Charges for services provided by the Company will be based on the Company's meter readings in the manner specified in this Tariff. Charges for services provided by an ESS will generally be determined according to terms specified by the contract between the ESS and the Consumer, and may be based on different time periods, quantities or units of measure than charges for services provided by the Company.
- E. Continuing Service:** Except as specifically provided otherwise, the rates of this Tariff are based on continuing service at each service location. Disconnect and reconnect transactions shall not operate to relieve a Consumer from minimum monthly charges.

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**Basis of Rates** (continued)

- F. Responsible Party:** Where the property is leased or rented from the property owner and a contract minimum is attached as a condition of service, the Company may require that the owner of the property be responsible for minimums associated with the contract.
- G. Sole Supply:** Unless otherwise stated, the rate schedules of the Company are applicable for service supplied entirely by the Company without interconnection with any source of supply.
- H. Special Demand:** All rate schedules of this Tariff are based upon loads for which standard demand measurements adequately reflect the size of load imposed on Company's system. In the event of loads with large short-period fluctuations, Company reserves the right to employ special demand determinations.
- I. Irrigation Service:** At the option of the Consumer, Irrigation Service may be provided under the General Service Schedule provided, however, that seasonal disconnects shall not relieve such Consumer from monthly billings for the General Service Schedule minimums.
- J. Eligibility for Alternate General Service Schedules 23, 28 and 30:** A General Service Consumer will be moved automatically to an alternate General Service Schedule as indicated by load size and schedule applicability. The Company may move a Customer from Schedule 28 to Schedule 23 if the Customer demonstrates an ability to limit demand to a level that does not exceed 30 kW either through the use of demand limiting equipment or through other operational changes. The Company will not switch a Consumer between alternate General Service Schedules 23, 28 and 30 more than once in a 12-month period, unless the following exception is met: In the event that a Consumer's load increases due to changes in operations, the Company may, at its discretion, place the Consumer on a schedule with a higher demand requirement, if so warranted.