

KARNES ELECTRIC COOPERATIVE, INC.		Section II	Sheet No. 20
Tariff For Electric Service		Revision	Page
<u>SECTION TITLE:</u> RATE SCHEDULES APPLICABLE TO ENTIRE SERVICE AREA		<u>EFFECTIVE DATE:</u> January 28, 2003 Rate Schedules Modified: April 1, 2009 Tariff Modified: September 1, 2010	

203.12 Industrial Service – Rate 12

A. Availability

Industrial Service is available to Members of the Cooperative for electric service provided through one meter where the Member has established a peak demand greater than 1,000 kW during the current billing period or the prior 11 billing periods. Oil & Gas, Oil & Gas Pipeline Pumping, and Water Pipeline Pumping loads are excluded from this rate.

B. Type of Service

The electric service furnished hereunder shall be three-phase, 60 hertz, at the Cooperative's standard primary or secondary voltages.

C. Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

- (1) Basic Charge: \$65.65 per meter

This charge is for the availability of electric service;

and

- (2) Demand Charge: @ \$7.15 per kW of billing demand

This charge for the rate at which energy is used is applied to the Member's demand as measured or recorded by a demand meter for the wholesale supplier's peak interval during the billing period for which the bill is rendered and adjusted for power factor;

and

- (3) Energy Charge: @ \$0.079500 per kWh

This charge for the delivery of power shall be applied to all kWh usage during the billing period.

D. Minimum Charge

Each Member shall be obligated to pay the following minimum charges each billing period whether or not any energy is actually used:

- (1) The Basic Charge plus a capacity charge of \$1.00 per kVA of required transformer capacity, plus
- (2) Any applicable billing adjustments, plus
- (3) Any applicable service fees, plus
- (4) The minimum monthly charge specified in the contract for service.

KARNES ELECTRIC COOPERATIVE, INC.		Section II	Sheet No. 21
Tariff For Electric Service		Revision	Page
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E. Power Factor Adjustment

The Member agrees to maintain unity power factor as nearly as practicable. Demand charges shall be adjusted to correct for average power factor less than 95 percent, where such adjustment shall be made by increasing the measured kW demand by one percent for each one percent that the average power factor is less than 95 percent lagging.

F. Billing Adjustments

This rate is subject to all applicable billing adjustments as specified in Section 204.