



***Salem Electric***  
SERVING KEIZER AND SALEM

## *SERVICE POLICIES*

STREET ADDRESS:	633 SEVENTH ST NW
MAILING ADDRESS:	PO BOX 5588 SALEM OR 97304
PHONE:	503 362-3601
FAX:	503 371-2956
E-MAIL:	<a href="mailto:se@salemelectric.com">se@salemelectric.com</a>
WEBSITE:	<a href="http://www.salemelectric.com">www.salemelectric.com</a>

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## CUSTOMER SERVICE POLICIES FOR SALEM ELECTRIC

1. PURPOSE:

The following service policies are intended to provide a helpful guide for Salem Electric customers, the electrical and building trades, and the employees and representatives of Salem Electric. The achievement and maintenance of efficient and safe electrical service, and the assurance that all customers of Salem Electric receive uniform and equitable treatment is of prime consideration.

2. SCOPE:

These service policies constitute rules and regulations pursuant to Salem Electric's Bylaws, are binding upon all members of Salem Electric, and are a part of all oral and written contracts for furnishing and receiving electric service. Copies of these service policies shall be available at all times to members of the Cooperative upon request.

3. REVISION:

These service policies may be revised, amended, supplemented, or otherwise changed at any time by action of Salem Electric's Board of Directors. These service policies cancel and supersede all previous rules and regulations or service policies.

4. CONFLICT:

In case of any conflict between any provisions of any rate schedule and these service policies, the provision of the rate schedule shall apply.

5. APPLICATION FOR SERVICE:

Applicants for electric service are required to make certain advance arrangements for this service. Each Applicant for electric service may be required to sign Salem Electric's form of application for electric service and supply Salem Electric with information relating to service requirements, the manner in which power will be utilized, and credit references. Large industrial or commercial contracts may be written on a special form that shall contain such provisions and stipulations as may be necessary or desirable to protect the interests of both Salem Electric and the customer.

The "application for service" is a request for service only and does not, in itself, constitute a contract for service until Salem Electric actually delivers, or is ready to deliver, electric service to the customer. In the absence of a signed application for service, the delivery of service by Salem Electric, and its acceptance by the customer, shall be deemed to constitute an agreement, and acceptance of Salem Electric's rules and regulations.

A husband and wife may apply for joint membership and will share equally in the rights and responsibilities of the membership.

6. DEPOSITS:

Since electric service is used prior to meter-reading and billing for such service, Salem Electric may require a deposit as a guarantee. This deposit may be an amount approximately equal to two times the highest monthly bill, or, if no billing history is available, it may be based upon an approximation of the size of the dwelling and the heating source. Deposits will be credited to the account upon termination of service and the net balance, if any, refunded. Deposits may also be refunded or credited to the account at any time at the discretion of Salem Electric. Service will be terminated if the deposit is not paid; unless arrangements have been made for future payment.

The customer's options regarding payment of a deposit are:

- (1) Pay the required amount on or before the due date.  
Interest will be paid on deposits, equal to the rate paid on Salem Electric's bank's 30-day Time Certificates of Deposit at the end of the previous month.
- (2) Provide evidence of prompt payment with a letter of credit covering the 12 months immediately prior to starting service with Salem Electric, from the customer's previous electric utility. The deposit will be waived if the payment record is satisfactory.
- (3) A co-signer may guarantee payment in lieu of the deposit. The co-signer must be a Salem Electric member with a prompt payment record.

Bankruptcy - Notwithstanding previous payment history, customers filing for bankruptcy may be charged a deposit. This deposit may be an amount approximately equal to two times the customer's highest monthly bill during the preceding 12-month period. Such deposit may be refunded or credited to the account at any time at the discretion of Salem Electric. Service will be terminated if the deposit is not paid, unless arrangements have been made for future payment.

7. BILLING:

Meters shall be read monthly or, at Salem Electric's discretion, at other periodic times. Salem Electric will, as nearly as possible, read meters on the same cycle date but, because of holidays, weekends, and the difference in the lengths of months, variations may occur. Salem Electric reserves the right to modify meter-reading schedules as required. If, for any reason, a meter reading cannot be obtained for any particular period, Salem Electric may estimate the reading and render a bill based on that estimate.

If a billing error occurs because of a meter reading error, the customer's billing will be adjusted for a maximum of 12 months to reflect the corrections.

Bills become delinquent 15 days from date of billing. A service charge may be imposed on delinquent accounts. Salem Electric offers an Average Pay Plan that permits monthly payments of approximately 1/12th of the annual electric service

7. BILLING (Continued)

cost. Salem Electric will establish the payment amounts and the terms and conditions of the Average Pay Plan.

Closing bills are due and payable on presentation. For billing periods of 25 days or less, the bill may be calculated on the basis of a 30-day period and prorated.

8. TERMINATION OF SERVICE:

A customer who wants electric service discontinued must give notice to Salem Electric's office five days in advance of the effective date. This does not apply to special contracts or rate schedules containing contractual provisions.

Salem Electric may refuse to connect, or may disconnect, service for violation of any of its rules and regulations, for failure to pay electric service charges when due, for violation of rate schedule or contract provisions, or for theft or illegal diversion of current. Discontinuance of service for any of these causes does not release the customer from the obligation to pay for energy received or from charges specified in any existing contract.

Unless at the request of the customer, electric service to a residential customer may be terminated by Salem Electric only under the following provisions:

- (1) Notice of Proposed Termination - Salem Electric shall give at least 15 days written notice to the customer before termination of service. The notice shall contain:
  - (a) a clear explanation of the reasons for termination;
  - (b) the date of the proposed termination (date shall not be less than 15 days from the date of the issuance of the notice);
  - (c) a statement advising the customer that the proposed action of the utility may be appealed by calling the Hearings Officer at Salem Electric, or by appearing in person at Salem Electric, 633 Seventh Street NW, telephone 503 362-3601;
  - (d) a statement that no termination shall take place if a licensed physician, registered nurse, licensed nurse practitioner, physician's assistant, or a public or private agency providing physical or mental health care, notified the utility orally or in writing prior to the proposed termination date, that termination of service would significantly endanger the physical health of a residential customer or any member of the customer's household. Termination will be postponed provided the customer makes a valid attempt to secure financial assistance, or is willing to negotiate a legal plan of payment. The customer will also be advised that to remain in effect, an oral notice shall be confirmed by certification in writing within 14 days,

8. TERMINATION OF SERVICE (Continued)

and such certification must be renewed every 30 days thereafter, unless the certification states that the condition is chronic, in which case the certification need not be renewed to continue in effect.

- (e) Termination for Non-Payment - Additional Notice Requirements - Installment Payments:

If the proposed termination of service is for nonpayment, the Notice of Proposed Termination may not be sent prior to the due date of the payment for the service billed. Such notice must advise the customer that no termination will take place if, prior to the proposed termination date, the customer pays the greater of \$10.00 or 10% of the overdue account and enters into an installment payment plan with the utility, designed to bring the account into balance no later than three months from the date of the agreement.

- (f) The Notice of Proposed Termination shall be mailed by first-class mail, to the last known address of the customer - or a third party designated by the customer to receive notices. Notice shall be deemed served on the day after the date of the US Postal Service postmark, or the day after the day of postage metering.

(2) Notice of Service Disconnection Order Prior to Termination

- (a) At least five (5) days prior to the proposed termination of service, a Service Disconnection shall be delivered to the service address or mailed by first class mail to the last known address of the customer - or a third party designated by the customer to receive notices. If mailed, notice shall be deemed served on the day after the date of the US Postal Service postmark, or the day after the day of postage metering.
- (b) Immediately prior to disconnection Salem Electric will attempt to contact the customer or his designated representative, in person, and advise them of the proposed action.
- (c) If the customer appears unable to comprehend the consequences of the notices of service termination, for any reason, Salem Electric shall delay termination of service until it has notified a social service agency. In such case, the customer shall have an additional five business days beyond the termination date stated in the notice to reach agreement with Salem Electric, or to appeal the Notice of Termination, before service may be terminated.
- (d) If personal contact cannot be made, a notice that service has been terminated shall be left in a conspicuous place at the residence where service was terminated.

8. TERMINATION OF SERVICE (Continued)

(3) Designation of Third Party to Receive Notice

Salem Electric shall offer its customers the option to designate a third party to receive notices set forth above. This option shall be available at the customer's request, or if the customer appears to have a communication problem.

(4) Information Relating to Financial Assistance

Prior to terminating service, Salem Electric shall inform residential customers who cannot pay their electric bill of the names and telephone numbers of appropriate social service agencies which can help the customer determine what federal, state, or private aid may be available to that customer.

(5) Appeal of Action

(a) Any customer may appeal Salem Electric's decision to terminate service, or its refusal to restore service, by notifying the Hearings Officer at Salem Electric, PO Box 5588, 633 Seventh Street NW, Salem, 97304-0055; telephone 503 362-3601; fax 503 371-2956; or e-mail: se@salemelectric.com. Notification may be made in person, in writing, by e-mail, by telephone or by fax.

(b) If service has not been terminated at the time of appeal, Salem Electric will not terminate service until the appeal is settled. If service has been terminated, and the appeal cannot be settled within the day of the action, then the service will be restored until the appeal is resolved.

(6) Restriction on Residential Service Termination

(a) Physical Disabilities - Salem Electric shall not terminate a residential customer's service, or refuse to restore service upon request, without the Administrative Services Manager's approval if Salem Electric has been advised by a licensed physician, registered nurse, licensed nurse practitioner, physician's assistant, or a public or private agency providing physical or mental health care, that termination of service would significantly endanger the physical health of the customer or any member of the customer's household, and a certificate (Subsection (1) (d) of this Section) is in effect.

If Salem Electric has postponed termination because of advice from a person specified in this subsection, and the advice was not confirmed by certification, in writing as required, or a certification has expired, Salem Electric may proceed to terminate service under the provisions above without giving another Notice of Termination,

8. TERMINATION OF SERVICE (Continued)

but must again meet the personal contact requirement of Subsection (3) of this Section. However, Salem Electric may terminate service of such a customer at any time the utility believes the physical condition of the customer or any member of the customer's household warrants no further postponement.

- (b) Weekends and Holidays - Residential service shall not be terminated on, or the day prior to, a weekend or holiday.
- (c) Accounts Not Related to Residential Service - Salem Electric shall not deny or terminate residential service to a customer for failure to pay for a non-residential service, or for violation of rules and regulations in connection with non-residential service.

(7) Requirements for Restoration of Service

Except as provided in Subsection (6) of this Section during the pendency of appeals, or unless otherwise ordered by the Hearings Officer, if a residential customer's service has been properly terminated under the provisions of Subsections (1) to (7) of this Section, the utility shall not be required to restore or provide service at the same or any other location at which such customer resides without payment of any overdue amounts, together with any other deposits, guarantees, and reconnection charges authorized under Salem Electric's service policies. (See Schedule of Charges.)

9. SERVICE CHARGE:

Whenever electric service has been disconnected for non-compliance with service policies, or for non-payment, or for fraudulent use, the service will not be reconnected until the situation requiring such disconnect has been corrected to the satisfaction of Salem Electric. A charge will be made for all such reconnections. (See Schedule of Charges.)

If a connect or reconnect is requested after regular working hours, the charges will be as shown on the Schedule of Charges. (See Connect Fee.)

10. TAX ADJUSTMENT:

The amount of any and all taxes imposed upon revenue, kilowatt hours, properties, or any other form of taxes or fees imposed by any governmental authority upon Salem Electric, may be apportioned by the Board of Directors to the territory in which such tax, or taxes, may be effective and among the various classes of service furnished therein. Such amounts shall constitute a charge in addition to any amount which may be billed to any customer under any rate schedule or special contract.

11. RESALE OF ENERGY:

The rate schedules cover the distribution of electrical energy for the sole and exclusive use of the customer. Except by agreement with Salem Electric, no customer shall connect his service with that of another person, or in any way resell, rebill, or supply any other person or premises with electric energy through his service.

12. RIGHTS-OF-WAY AND RIGHTS-OF-ACCESS:

Salem Electric shall be granted, at no cost, all rights-of-way and easements necessary to serve the customer, overhead or underground, for the installation, maintenance, repair, replacement, removal, or use of all wires, poles, machinery, fixtures, or equipment needed to supply and deliver electric service to the customer. Salem Electric, through its authorized employees, shall have access to its equipment at all reasonable times for the purpose of reading meters, and testing, repairing, or replacing any equipment which is the property of Salem Electric. If such equipment is so located that locks or security devices must be operated to reach it, Salem Electric shall be provided appropriate access.

13. DAMAGE TO SALEM ELECTRIC PROPERTY:

The customer shall take all reasonable and proper precautions to prevent damage to Salem Electric's property and facilities on the customer's premises. In the event that the property of Salem Electric is damaged, Salem Electric may collect, from the responsible party, the cost of repairs or replacement. (See Schedule of Charges.)

14. ATTACHMENTS TO SALEM ELECTRIC PROPERTY:

Permission must be obtained from Salem Electric before any equipment or material of any description may be attached to any property of Salem Electric.

15. ADDITIONAL LOAD:

If the customer desires to increase his power requirements materially, he shall notify Salem Electric sufficiently in advance so that Salem Electric may, if economically feasible, provide the facilities required to serve the increased load. If the customer fails to notify Salem Electric and, as a result, Salem Electric's equipment is damaged, the customer may be liable for the cost of such damage.

16. HIGHLY FLUCTUATING LOAD:

For highly fluctuating and intermittent loads which seriously affect voltage, Salem Electric may require a contract for service, which will take into consideration such additional equipment as deemed necessary to maintain satisfactory service to other customers. The customer may also be required to install, at his own expense, regulative equipment to control such fluctuation.

17. INTERRUPTIONS OF SERVICE:

Salem Electric shall use reasonable diligence to provide satisfactory and uninterrupted electric service, but cannot and will not guarantee such service, and shall not be liable for injury, loss, or damage resulting from any failure or curtailment of electric service; nor shall any failure or curtailment constitute a breach of contract.

Whenever necessary, for the purpose of making repairs or improvements to its system, Salem Electric shall have the right to temporarily suspend the delivery of electrical energy. In such cases, Salem Electric will give reasonable notice, if circumstances permit, and attempt to schedule its activities at the customer's convenience. Salem Electric should not be liable for injury, loss or damage resulting from such suspension of the delivery of electrical energy.

18. NOTICE OF TROUBLE:

Salem Electric will strive to give the best possible service to its customers at all times. The customer can materially assist Salem Electric in fulfilling its purpose by promptly notifying Salem Electric of any defects, trouble, or accident affecting the supply of electricity, or in the event service is unsatisfactory for any reason.

19. CUSTOMER'S POWER OUTAGE:

If the customer's service fails, the customer shall attempt to determine if fuses have been blown, a breaker has been tripped, or if customer's equipment is at fault before calling Salem Electric. If a service technician is sent out at the customer's request, and it is determined that the customer's equipment is at fault, a charge may be applied. (See Schedule of Charges.)

20. RADIO AND TV RECEPTION INTERFERENCE:

Salem Electric will investigate reports of interference to radio and television reception, and will take action to correct the condition causing the interference, provided the interference is found to be caused by Salem Electric's facilities. However, Salem Electric will not repair or replace any defective part of any radio or television, nor will it perform repair or replacement services to such appliances.

21. METER TESTS:

Salem Electric tests and inspects its meters to insure a high standard of accuracy. Salem Electric will, upon reasonable request, test any customer's meter. If the meter is found, upon test, to have malfunctioned, or, to deviate more than 2% under normal conditions of the customer's electric load, the customer's billing will be adjusted for a maximum of 12 months, to reflect the correction. No charge will be made to the customer for this test.

22. CUSTOMER WIRING AND EQUIPMENT:

The customer shall install, own and maintain all wiring and equipment beyond the point of delivery, except meters and special facilities installed or furnished by Salem Electric. The customer's wiring shall conform to all requirements of legally constituted authorities having jurisdiction; including city and county codes or ordinances, service requirements of Salem Electric, the Oregon State Electric Code and the National Electrical Code.

The customer shall furnish and install a UL-approved meter socket(s) (as specified by Salem Electric) for the installation of Salem Electric's metering equipment. If instrument transformers are required, the customer shall furnish and install mounting brackets, a suitable enclosure, and necessary conduit, as specified by Salem Electric. It shall be the customer's responsibility to provide suitable protective devices such as: fuses, circuit breakers, and relays to adequately protect the customer's equipment.

For the protection of three-phase motors, the installation of three thermal over-current devices and, in addition, dual element delay fuses or circuit breakers of suitable rating are considered necessary. Salem Electric's service policy permits delivery voltage variations of plus or minus 5%. If less than 5% tolerance is required or if occasional line disturbances cannot be tolerated, it is the customer's responsibility to provide line filtering or uninterruptible power supply (UPS) equipment. Salem Electric reserves the right to refuse or discontinue service to customer's equipment or wiring where such equipment or wiring is in hazardous condition or is not in conformity with lawful codes and local regulations. Salem Electric shall not be held liable for any loss or damage to persons or property resulting from defects beyond the point of delivery, or in the customer's installation of equipment, or the delivery of energy thereto.

23. COGENERATION:

1. It shall be the policy of Salem Electric to comply with all applicable federal and state laws and regulations in connection with proposals that Salem Electric purchase power from cogeneration and small power production facilities. These laws include the Federal Public Utility Regulatory Policies Act of 1978 (PURPA) and Oregon Revised Statutes 758.505-555 relating to Cogeneration and Small Power Production Facilities.
2. In furtherance of this policy, Salem Electric will consider and process all proposals from cogeneration or small power producers that are presented to Salem Electric. The guiding principle in evaluating such proposals shall be that Salem Electric must be in the same financial position after such purchases as it would have been had it not purchased from the qualifying facility of the cogenerator or small power producer.

23. COGENERATION (Continued)

3. Cogeneration and small power producers are advised that the following factors bear on the purchase of power by Salem Electric from them:
  - 3.1 Salem Electric is not a public utility. Salem Electric is a member-owned cooperative corporation that serves only its members and does not serve the general public.
  - 3.2 Salem Electric's service territory has been allocated to it by the Oregon Public Utility Commission and Salem Electric is prevented by law from serving outside its allocated service territory.
  - 3.3 Salem Electric is a metered-requirements customer of the Bonneville Power Administration (BPA). As such, Salem Electric purchases all or nearly all of its power from BPA. Salem Electric's relationship with BPA is governed by federal law, regulations and rules; the terms and conditions of various contracts with BPA, including, but not limited to, Salem Electric's BPA power sales contract. Salem Electric must comply with all of these laws, regulations, rules and contract provisions; and some may have a direct bearing on Salem Electric's ability to purchase power from others, the consequences of power purchases from others, and the timing of power purchases from others.
  - 3.4 One of the consequences of Salem Electric's relationship with BPA is that Salem Electric as a metered-requirements preference customer receives numerous economic benefits from BPA. Salem Electric's relationship with BPA is economically advantageous to Salem Electric because BPA's metered-requirements customers are entitled to certain preferences in their purchase of power from BPA; they may purchase power at more favorable prices; and they are entitled to the benefit of various programs offered by BPA which may not be available at all or on a different basis to BPA's other customers.
  - 3.5 Because of Salem Electric's unique relationship with BPA, Salem Electric's avoided cost is the BPA rate applicable to Salem Electric purchases, less the economic value of the benefits Salem Electric receives in connection with Salem Electric's status as a BPA metered-requirements customer.
4. Procedure for presentation of proposals for sale of power to Salem Electric by cogenerators and small power producers:
  - 4.1 All proposals for sale of power must be in writing and signed by the proposed seller. The proposal must describe in detail the kind and amount of power proposed to be sold, how it is generated, how

23. COGENERATION (Continued)

it is proposed to be delivered to Salem Electric (including the proposed interconnection and metering), the term of the proposed sale, and the price for the power.

4.2 Salem Electric will require certain provisions in the power purchase contract for its production. These provisions include:

- That all expenses of any kind in delivering power to Salem Electric be paid by the power seller.
- That Salem Electric be indemnified and held harmless from any liability of any kind in connection with the generation and delivery of the power to Salem Electric's system.
- That Salem Electric own, maintain and read the meter and pay for the power according to Salem Electric's usual billing practices.
- That the transmission line for delivery of the power to Salem Electric's system, the interconnection and the metering be designed and engineered to Salem Electric's standards and specifications and be subject to approval by Salem Electric.
- That the power be generated and delivered in accordance with the best industry practices for this type of power generation and delivery.
- That the power purchase be subject to the requirements of Salem Electric's relationship with BPA and applicable federal, state and local laws and regulations.
- That in the event the power purchase changes Salem Electric's relationship or status with BPA to Salem Electric's economic disadvantage, then Salem Electric shall be reimbursed for any economic loss caused by the change, or if reimbursement is not practicable, then Salem Electric may at its election terminate the power purchase agreement.

5. In order for Salem Electric to be in the same financial position it would have been in had it not purchased power from the cogenerator or small power producer, Salem Electric must require that all expenses of consummating the transaction be paid by the cogenerator or small power producer. Toward this end, Salem Electric requires an initial deposit of Twenty-Five Thousand and no/100's Dollars (\$25,000) to be submitted by the power seller with its written proposal. This deposit will be used by Salem Electric to pay the reasonable and necessary expenses incurred by Salem Electric in completing the power

23. COGENERATION (Continued)

purchase, including but not limited to Salem Electric staff time spent on the matter, the cost of consultants reasonably necessary for evaluation, design or engineering of the project, legal expenses and the like. Additional deposits may be required depending on the complexity of the transaction. If additional deposits are required they must be paid prior to any further processing of the proposal. Any funds remaining from such deposits after consummation of the transaction will be returned to the person who deposited the funds.

24. POINT OF DELIVERY:

The point of delivery is that point on the customer's premises (or other agreed point) where Salem Electric terminates its electrical service conductors, and the customer's wires are connected to Salem Electric's conductors. All equipment on the customer's side shall belong to and be the responsibility of the customer; except meters, metering equipment and other equipment provided by Salem Electric.

It shall be the responsibility of the customer, or the customer's electrical contractor, to advise Salem Electric of service requirements in advance of installing service entrance equipment, and to ascertain that the location is acceptable to Salem Electric. Metering will not be totalized for separate points of supply or service, except by special contract.

25. METER LOCATION:

Meters shall be installed on the outside of buildings or service structures, except, that in the case of rural or temporary service, a meter may be installed on a meter pole. Exceptions to this practice must be approved by Salem Electric. The customer shall furnish a safe, convenient place, readily accessible, without risk of bodily harm to Salem Electric employees, and free from vibration, corrosive atmosphere and abnormal temperatures, in which to install the metering equipment.

26. DELIVERY PHASE AND VOLTAGE:

All service shall be alternating current, 60 hertz per second. Nominal service voltages are 120/240 single-phase, 120/208 wye, 277/480 wye, 120/240 delta, or 480 delta three-phase. Service may also be delivered at other voltages when applicable and where available, or in instances when the size of the load justifies primary voltage delivery or separate transformer installation.

Three-phase service is not normally available in residential, non-commercial, or non-industrial zoned areas. The provisions of Section 30 - "Extension Policy" shall prevail when such service is requested.

New service in the central business district, in which Salem Electric facilities are required by City of Salem ordinance to be converted to underground, shall be 120/208 wye, except by special contract.

26. DELIVERY PHASE AND VOLTAGE (Continued)

The customer must contact Salem Electric before proceeding with the wiring or the installation of equipment in order to determine the availability of the necessary phase and voltage for that equipment.

Salem Electric will endeavor to maintain its delivery voltages and frequencies within reasonable limits; but cannot guarantee same.

27. PHASE BALANCE:

Except in the case of three-phase, four-wire delta service, Salem Electric will require that the current taken by each wire of the three-phase service be reasonably balanced.

28. NON-STANDARD SERVICE:

The customer shall pay the cost of any special installation necessary to meet particular requirements for service at other than standard facilities, or for the supply of closer voltage regulation than required by standard practice.

29. TEMPORARY SERVICE:

Temporary Service refers to electrical service of a short-term or transient nature. This type of service is classified as follows:

Metered:

- (1) Single-phase service, 200 amps or less, to construction projects which will result in a permanent residential or commercial service connection. Service to this type of use will be metered and billed under the General Service Rate Schedule. An installation charge shall be required. (See Schedule of Charges.)
- (2) Single-phase service greater than 200 amps, or three-phase service to construction projects which will result in a permanent residential or commercial service connection. Service to this type of use will be metered and billed under the General Service Rate Schedule. An advance payment shall be made to Salem Electric prior to connection of temporary service in an amount equal to the estimated cost of installing and removing the facilities including overhead costs plus loss of materials. After completion of the work, customer will be billed or refunded the difference between the actual costs and the advance payment.
- (3) Temporary service to public event displays, fairs, festivals, etc. not resulting in a permanent residential or commercial service connection, shall be metered and billed under the General Service Rate Schedule. An advance payment shall be made to Salem Electric prior to connection of temporary

29. TEMPORARY SERVICE (Continued)

service in an amount equal to the estimated costs of installing and removing facilities including overhead costs plus loss of material. After completion of Salem Electric's work, customer will be billed or refunded the difference between the actual costs and the advance payment.

Salem Electric Supplied Temporary Service (SESTS):

An optional single-phase 120/240 volt unmetered service to construction projects which will result in a permanent residential service connection; but not to include service to power job shacks, temporary project offices, etc. An installation charge shall be required. (See Schedule of Charges.) Salem Electric will provide and install a service pedestal (SESTS) only in underground service areas. If the SESTS is not removed at the time permanent service is connected, a disconnect fee will be charged. (See Schedule of Charges.) This service may be used for portable lights, tools, and equipment necessary for the construction of a residential dwelling. The SESTS shall not be used for the operation of permanently-installed appliances or equipment nor shall it be used to heat or dry structures under construction. The installation charge shall include up to four months of energy. After the fourth month, a monthly charge will be billed. (See Schedule of Charges.)

30. EXTENSION POLICY:

Salem Electric will extend its lines to all permanent loads within Salem Electric's established service area as approved by the Oregon Public Utility Commission. Fees will be charged when Salem Electric is requested to extend primary conductor and when secondary service in excess of 400 amps of capacity per building (excluding multi-family residential buildings) is requested. (See Schedule of Charges.) If the work on the line extension has not commenced within 120 days following the execution of a Line Extension Agreement, the Agreement shall be null and void.

When a customer increases their service entrance capacity, credit for the return to stock of usable equipment will be based on the following criteria:

- (1) If the customer has paid a transformation fee and the equipment being replaced is a common stock item of Salem Electric, the customer will receive a credit equal to the amount of the original transformation fee that was paid.
- (2) If the customer has not paid a transformation fee and the equipment replaced is a common stock item of Salem Electric, the customer will receive a credit equal to the transformation charge in effect in 1993 for the size of the service entrance being replaced.
- (3) If the equipment is not a common stock item for Salem Electric, the credit will be determined by the salvage value of the equipment.

30. EXTENSION POLICY (Continued)

Equipment is considered a common stock item if it can be expected to be reused within six months. Three-phase transformers above 500 kVa, and single-phase transformers above 100 kVa are not considered common stock items.

31. UNDERGROUND SERVICE:

(1) Subdivisions

Salem Electric will provide underground electrical service to newly constructed subdivisions including trenching, conduit, primary wiring, switches, pad-mounted transformers, substructures and secondary wiring to the property line of each subdivided lot. The developer will pay Salem Electric prior to construction, a cost per front foot. (See Schedule of Charges.) Front foot distances will be the total distance of each lot adjoining street right-of-way within the boundary of the subdivision. All raceways for street crossings shall be provided by the developer to Salem Electric specifications.

(2) Individual Extensions

Salem Electric will provide primary trenching, conduit, conductors, switches, pad-mounted transformers, substructures and secondary trenching, conduit, and wiring to a single point of service as designated by Salem Electric. Prior to construction, the customer will pay Salem Electric a primary foot fee based on the distance from the existing Salem Electric facilities to the point of transformation and a transformation fee for installations with service panels in excess of 400 amps. (See Schedule of Charges.) The transformation fee is based on the customer panel capacity.

Each customer shall provide and maintain service trench, back-fill and conduit, per Salem Electric specifications, to the point of transformation or to a point designated by Salem Electric.

(3) Conversion of Existing Overhead to Underground Service

(a) Downtown Underground District: (per City Ordinance)

Each customer, at his own expense, shall rewire his service entrance for underground service, and provide a suitable terminal enclosure at a location agreeable to Salem Electric for connection of customer and Salem Electric's service conductor. Each customer, at his own expense, shall provide and maintain trench, backfill, resurfacing, and conduit, or other service route, to Salem Electric's specifications, from the terminal enclosure to a point at an adjacent alley, or street right-of-way, as designated by Salem Electric.

31. UNDERGROUND SERVICE (Continued)

(b) Other Areas: (Customer Request)

Salem Electric will inspect the premises, determine feasibility, and prepare a cost estimate for the conversion.

The cost estimate will include the following:

- (1) The cost of any necessary rearrangements, modifications, and additions to existing facilities to accommodate the conversion.
- (2) The total cost to install the new underground facilities. This includes labor and material cost for trenching and backfill, conduit, vaults, pads, switches, transformers, wire, and other equipment needed to provide electrical service with the same capability as the existing overhead facilities.
- (3) Credit will be given for material salvaged.

(c) Salem Electric Convenience:

When it becomes necessary for Salem Electric to relocate service lines, Salem Electric may convert to underground service at its own expense.

32. MANUFACTURED HOME PARKS:

Manufactured home parks may be served under master metering or individual metering.

(1) Master Metering (not available for new connections)

All service is metered through a master meter and billed to the operator of the premises. The operator provides all facilities beyond the meter. The operator may include such electrical service with the rental or sub-meter and make individual billings. If the occupants are billed separately from the rental, such bills must be calculated at Salem Electric's applicable rate schedule.

(2) Individual Metering

Each space or dwelling unit will be metered and billed separately by Salem Electric. The operator of the premises will install individual "service entrance" equipment with a minimum capacity of 200 amps, including provisions for attachment of Salem Electric's service conductors, and for

32. MANUFACTURED HOME PARKS (Continued)

installation of Salem Electric's meter. Salem Electric will issue monthly bills for each meter, to each tenant, under the applicable rate schedule.

(3) Conversion from Master Metering to Individual Metering

At the owner's request, conversion may be made from master metering to individual metering. The owner shall provide service entrance equipment which must be at least 100 amp, and is subject to electrical inspection and approval by appropriate authority. Upon conversion from master metering to individual metering, all secondary and/or service equipment to the service entrance shall become the property of Salem Electric - who shall be responsible for its future maintenance. The transfer of such responsibility to Salem Electric shall be deemed the consideration received by the owner in exchange for the conveyance of said equipment.

(4) Underground Service

Underground service may be provided in accordance with standard policy in effect at the time of construction.

33. ALTERNATE SERVICE:

Salem Electric designs and operates its distribution system to provide a high level of service reliability for all of its customers. Salem Electric's standard design is a loop feed distribution system. The customer is responsible for a line extension charge based on the current service policy. General service customers with critical loads above 1,000 kVa are served with preferred and alternate primary feeds with an automatic transfer switch between feeder lines.

Occasionally a customer desires a level of service either above or below the Salem Electric standard design. In order for a customer to receive a level of service below the Salem Electric standard, they must sign a hold harmless agreement accepting a reduced level of service. *This will not affect the way Salem Electric responds to service problems that might occur*, however, the customer may experience extended outages due to system operations and periodic maintenance of the system; some of which could have been avoided or minimized had the Salem Electric standard design been observed.

If a customer requests a level of service above the Salem Electric standard design and the design requires additional substation and/or transmission facilities for the customer's exclusive use, they shall pay the current installed cost of these facilities (labor and materials). If any excess capacity of these facilities is used for any other customer(s), Salem Electric may refund a prorated amount paid by the original customer.

Salem Electric will not guarantee service, but will make every effort to provide service that is as reliable as possible.

34. CANCELLATION OF CONTRACT BY CUSTOMER:

If a customer who has entered into a long-term contract for services desires to discontinue such service, he may: (1) continue to pay the minimum charge specified in the contract until contract expiration, or (2) pay to Salem Electric, at the time of discontinuance of service, a prorated portion of the installation and removal cost of any special facilities installed to provide such service. Such prorated portion would be computed as follows (if five-year contract):

If disconnected during the first 12 months of service, the customer shall pay the entire installation and removal cost of the special service facilities installed. If disconnected after 12 months, but before completion of 60 months of service, the customer shall pay one-forty-eighth of the total installation and removal cost of such special facilities for each month of the unexpired portion of the contract.

35. RELOCATION OF EQUIPMENT AT CUSTOMER REQUEST:

In the event any customer requests his delivery point be moved to a new location on an existing structure, Salem Electric will remove and reconnect its overhead service drop at the new delivery point without cost to the customer, provided no pole or other equipment is required. If a pole, or other equipment is required, the customer shall pay for all materials, labor, and overhead required to serve the new delivery point. Where underground service is provided, delivery points shall not be relocated without special permission from Salem Electric, and written agreement by the customer to assume all costs of relocation.

In the event a customer desires Salem Electric facilities moved, Salem Electric will, if feasible from an engineering standpoint, and provided necessary right-of-way can be obtained, do so, and may require the customer to pay in advance an amount sufficient to reimburse Salem Electric for a part or all of the costs, including overhead. Persons requesting such relocations must make satisfactory arrangements for the transfer or relocation of equipment owned by any other utility and any other party who may be involved.

36. NET METERING POLICY:

Salem Electric will purchase electricity generated by customers who own a net metering facility. The net metering facility must use solar, wind, fuel cell, or hydroelectric power, landfill gas, digester gas, waste, dedicated energy crops available on a renewable basis or low-emission, nontoxic biomass based on solid organic fuels from wood, forest or field residues to generate electricity, have a generating capacity of not more than 25 kilowatts, and be located on the customer-generator's premises. The generator must operate in parallel with Salem Electric's existing transmission and distribution facilities and is intended to primarily offset part or all of the customer-generator's electric requirements. The customer must sign a *Salem Electric Net Metering and Interconnection Agreement*.

36. NET METERING POLICY (Continued)

The net metering facility must meet all applicable safety and performance standards established by the Oregon State Building Code, the Oregon Public Utility Commission, the National Electrical Code, the Institute of Electrical and Electronics Engineers and the Underwriters Laboratories. Salem Electric shall have the option of requiring ongoing testing of disconnection equipment. The customer shall provide a safety disconnect device located adjacent to Salem Electric's metering equipment.

Salem Electric shall not be liable, directly or indirectly, for permitting or continuing to allow the attachment of a net metering facility, or for the acts or omissions of the customer-generator that cause loss or injury, including death, to any third party. Salem Electric may limit the cumulative generating capacity of all net metering systems served by Salem Electric to one-half of one percent of its historic single-hour peak load. Once this limit is met, Salem Electric may not permit the connection of any new customer-generators.

At its expense, Salem Electric will install bi-directional metering equipment that is capable of registering the flow of electricity in each direction. During a billing period, if the customer-generator uses more electricity than it feeds back to Salem Electric, the customer will be charged an administrative fee for the net electricity that Salem Electric supplied. If the customer-generator feeds back to Salem Electric more electricity than supplied by Salem Electric, the customer will be charged an administrative fee and will be credited for the excess electricity generated. For the billing cycle ending in March of each year, if any unused credits accumulated during the previous 12 months remain, Salem Electric will pay the customer-generator an amount equal to the unused credited kilowatt hours times the average wholesale price of power purchased by Salem Electric.

37. INFORMATIONAL METERING POLICY:

Some Salem Electric members are interested in receiving more details of their electric consumption than are available from the monthly billing statement. The level of interest will vary as to how long, how detailed and how often they want to receive this information. If the member is only interested in a few days of information and it can be provided using normal testing equipment and reports, this will be provided at no cost to the member.

A member may wish to receive time of use load information over a long period of time which requires special equipment and reporting systems offered by third party providers. In such situations, the member must sign a release allowing Salem Electric to share information with the third party. Salem Electric will provide the appropriate meter at no charge.

The member is responsible for securing the services of, and paying the costs associated with, a third party to collect, analyze and report the information.

38. SCHEDULE OF CHARGES:

LINE EXTENSION AND NEW CONSTRUCTION:

TRANSFORMATION FEES:

Single-Phase Service:  
600 and 800 amp panel, 120/240 volt \$2,400

Three-Phase:		
<u>Panel Size (Amps)</u>	<u>208/120V</u>	<u>480/277V</u>
600	\$5,900	\$ 7,400
800	\$6,400	\$11,800
1,200	\$7,300	\$12,800

Other Actual Cost

UNDERGROUND EXTENSION FEES:

Subdivision Front Footage Charge	\$6.10/Right-of-Way Foot
Individual Extension Fee, Single-Phase	\$6.40/Lineal Foot
(200 primary amps or less) Three-Phase	\$14.40/Lineal Foot
Greater than 200 primary amps	Actual Material Cost

OVERHEAD EXTENSION FEE: Actual Material Cost

TEMPORARY SERVICE:

METERED

Single-Phase resulting in permanent service \$130.00  
\$ Metered under the General Service Rate

UNMETERED

SE-Supplied Temporary Service (SESTS) \$175.00  
\$ Includes energy for four months \$10.54/month after four months

If temporary service is not removed at the time  
permanent service is connected, disconnect fee will be charged \$70.00

Three-Phase Actual Cost

Other (transient) not resulting in permanent service Actual Cost

38. SCHEDULE OF CHARGES (Continued)

**CONNECT, DISCONNECT, RECONNECT:** (Account Processing Fee)

CONNECT FEE\*

Business Hours	No Charge*
After Hours	\$50.00
Holidays & All Other Hours	\$100.00

\* A \$15.00 fee will be charged for service connections of less than 30 days.

DISCONNECT FEE\*

Business Hours	No Charge
All Other Hours	Actual Cost

RECONNECT FEE\*\*

Business Hours	\$25.00
After Hours	\$50.00
Holidays & All Other Hours	\$100.00
*** Unauthorized connection of service/tamper fee	\$50.00

**Business Hours: 8:00 am - 4:30 pm Monday through Friday.**  
**After Hours: 4:30 pm - 9:00 pm Monday through Thursday.**

\*\* Connect, disconnect and reconnect at other than meter base will be charged at actual cost.

\*\*\* Electrical contractor must notify Salem Electric prior to connection or disconnection of service.

**MISCELLANEOUS:**

ADMINISTRATIVE CHARGE (Net Metering) – the current basic charge of the applicable rate schedule.

DAMAGE TO SALEM ELECTRIC PROPERTY:

Labor (Foreman & Lineman) (OT 2 hr. min)	Actual Cost
Per Line Truck	\$25.00/hr.
Materials	Actual Cost
Administration	10% of Total Cost

FIELD SERVICE FEE 10.00

MEMBERSHIP FEE .01

RETURN CHECK CHARGE (NSF) \$7.50

SERVICE CALL - CUSTOMER PROBLEM \$25.00

STREET LIGHT CONNECT (CUSTOMER-OWNED) \$40.00