

A & N ELECTRIC COOPERATIVE

Tasley, Virginia

SCHEDULE EF EXCESS FACILITIES

AVAILABILITY

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

APPLICABILITY

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

CONDITIONS

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

1. Electricity will be provided only to a single Customer, served at one or more bona fide permanent service locations in such a manner that all facilities are located on a contiguous property owned or leased by the Customer.
2. All Standard Utility Plant facilities supplied shall be of a kind and type of transmission or distribution line or substation equipment normally used by or acceptable to the Cooperative and shall be installed in a place and manner satisfactory to the Cooperative. All other facilities shall be Non-standard Utility Plant and shall be of the type and kind approved by the Cooperative. All equipment furnished and installed by the Cooperative shall be and remain the property of the Cooperative and shall be accessible to and maintained only by the Cooperative and its authorized representatives.
3. Whenever a Customer requests the Cooperative to furnish an alternative source of supply that the Cooperative would not normally furnish, the excess facilities charge for the alternative supply facilities shall be calculated as provided for under Rate 1 or Rate 2.
4. Whenever the Cooperative decides to offer other types of non-standard equipment as part of a regulated service or activity to all Customers through a general offering, then the excess facilities charge for each type of equipment shall be determined by applying Rate 1 (non-standard 10-year depreciation - based on the estimated useful life of the equipment) to the estimated original cost of such equipment. Rate 1 (standard depreciation) and all of Rate 2 will not be available in this situation in order to maintain uniformity of billing. Thereafter, any adjustment of this rate will be based on Continuing Property Records cost of the equipment in question. This rate will be rounded to the nearest quarter dollar for ease of billing and explanation thereof. Initial rates computed under Condition 4 will remain in effect for all like equipment until such time that Schedule EF is changed or modified by rate case proceeding.
5. The Cooperative shall not be required to make such installations of equipment and facilities in addition to those normally provided until the Customer has signed such agreements and fulfilled such other conditions as may be required by the Cooperative.

CONDITIONS (continued)

6. The Cooperative may change facilities at its convenience so long as equivalent service is rendered and the charge to the Customer is unaffected. Should the Customer's electric service requirements change so that additional facilities and equipment be required or existing facilities and equipment no longer be needed, the estimated new installed cost of any additions or the cost of removal less any salvage value of any removed equipment and facilities, shall be added to the original cost used in the calculations under "Rate."
7. When the estimated cost of excess facilities exceeds the Customer's estimated annual electric billing, the Cooperative will require financial security in the form of either a surety bond, a certificate of deposit, or an irrevocable letter of credit or will require excess facilities billing under Rate 2 below.
8. If the Cooperative funds the replacement of facilities where the customer made the initial investment and was paying under Rate 2, the Customer's bill will no longer be determined by Rate 2, but will be calculated under Rate 1.
9. Customers supplied under Schedule EF may terminate the Excess Facilities Contract at any time by:
 - a. notifying the Cooperative of their intent to terminate the contract; and
 - b. making a one-time payment equal to the un-amortized value of the facilities supplied under the contract, plus, if applicable, the cost to remove the facilities.

RATE

1. The Customer will pay the Cooperative a monthly excess facilities charge equal to a specified percent as shown below of the estimated new installed cost of all facilities provided by the Cooperative in addition to those the Cooperative would normally provide to supply electricity to the Customer at one service location. Condition 4 above utilizes the estimated installed cost at inception of an offering and Continuing Property Records cost anytime thereafter the specified percentage rates are changed. The monthly excess facilities charge will be in addition to the charge for electricity in accordance with the applicable rate schedule and will be based on the following percentages:

Type of Excess Facility

| | |
|---|-------|
| Standard Utility Plant (Normal Depreciation) | 1.39% |
| Non-Standard Utility Plant (10-year Depreciation) | 2.23% |

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

Type of Excess Facility

| | |
|---|-------|
| Standard Utility Plant (Normal Depreciation) | 0.82% |
| Non-Standard Utility Plant (10-year Depreciation) | 1.12% |

TERM OF CONTRACT

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