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<u>SECTION TITLE:</u>		<u>EFFECTIVE DATE:</u> January 28, 2003	
RATE SCHEDULES		Rate Schedules Modified: April 1, 2009	
APPLICABLE TO ENTIRE SERVICE AREA		Tariff Modified: September 1, 2010	
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203.16 Industrial Service to Oil & Gas Facility – Rate 16

A. Availability.

Available to oil and/or gas industrial service with an aggregate load of 1 MW or greater.

B. Type of Service.

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

C. Monthly Rate.

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

- (1) Basic Charge: \$1,000.00 per meter

This charge is for the availability of electric service;

and

- (2) NCP Demand Charge: @ \$1.50 per kW of billing demand

This charge for the rate at which energy is used is applied to the Member's non-coincident peak (NCP) demand which is the maximum demand for any period of fifteen consecutive minutes during the billing period for which the bill is rendered as measured and recorded by a demand meter and adjusted for power factor as provided herein;

and

- (3) Energy Charge: @ \$0.0035 per kWh

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

- (4) Power Supply: @ At Cost

The cost of power to serve the Member including but not limited to capacity, delivery, ancillary, energy, fuel, and support charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. The power cost will be calculated using the billing units defined in the same manner as defined in the applicable wholesale rate and other charges to the Cooperative, including any ratchet provisions. The Member's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to calculate the Member's power cost at the wholesale supplier's metering point to the Cooperative.

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D. Minimum Charge.

The minimum monthly bill excluding power supply is \$7,500.00.

E. Power Factor Adjustment.

The Cooperative shall assess a power factor adjustment if the necessary meters and equipment are installed and if the power factor during Member's peak kW demand is less than 0.97. The power factor adjustment shall be calculated by increasing the billing kW demand such that the adjusted billing kW demand and measured kVAR yield a calculated power factor of 0.97 or greater, and the billing kW demand shall be the kW demand calculated in accordance with this provision.

F. Other Conditions of Service.

- (1) The provisions of the Agreement for Service between the Cooperative and the Member are incorporated into this tariff. On and after the effective date of this revision, this rate shall be available only to Members who execute either the ***Cooperative's Amendment to the Karnes Electric Cooperative, Inc. Application for Membership and Electric Service Agreement Providing Special Contract Terms and Conditions for Industrial Service to Certain Oil and Gas Pipeline Facilities at the Specified Point of Delivery*** or ***Amendment to the Application for Membership and Electric Service Agreement Providing Special Contract Terms and Conditions for Primary Service for Oil and Gas Field Operations Utilizing a Private Distribution System at the Specified Point of Delivery.***

This Rate is not available to members receiving service under the Cooperative's ***Amendment to the Application for Membership and Electric Service Agreement Providing Special Contract Terms and Conditions for Secondary Service for Oil and Gas Field Operations Utilizing a Private Distribution System at the Specified Point of Delivery.***

- (2) Billing periods for application of this tariff will coincide with wholesale supplier's billing periods.
- (3) This rate is subject to all applicable billing adjustments as specified in Section 204 except Section 204.1.
- (4) If a Member is receiving service under another of the Cooperative's rates, the Member must establish a metered peak kW demand in excess of 1,000 kW for six consecutive months before the Member is eligible for service under this rate.