

WELLS RURAL ELECTRIC COMPANY

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RULE NO. 1

DEFINITIONS

For the purpose of the company's use, the terms and expressions listed below shall apply to all rates, rules, policies and general information areas.

Ampere: A measure of the flow of electrical current, proportional to the quantity of electrons flowing through a conductor past a given point in one second. It is abbreviated "amp".

Apartment: A single building containing two or more single-family dwellings, which are rented by the occupants.

Applicant: A person or agency requesting the utility to supply electric service.

Application For Membership: A written request for membership in the corporation submitted on the utility's form.

Application for Service: A written request for electric service submitted on the utility's form as distinguished from an inquiry to the availability or charge for such service.

Average Month: 30 days.

Billing Cycle: The group of accounts that are billed on one of three assigned dates within any given month.

Billing Date: The postmark date of mailing or the day the utility designates.

Billing Demand: The load or demand used for computing charges under rate schedules based on the size of the consumer's load or demand. It may be connected load, the registered peak demand, or a modification of either as provided for by the applicable rate schedule.

Billing Period: The time interval between two consecutive meter readings that are taken for billing purposes.

Capacity: The maximum power rating for a generating unit, generating station or other electrical apparatus.

Company: See "Utility". Wells Rural Electric Company, also known as Wells Rural Electric Co., Wells Rural, W. R. E. C and WREC.

Commercial Service: Service to consumers engaged in selling, warehousing, or distributing a commodity, in some business activity in a profession, or in some form of economic or social activity (offices, stores, club, hotels, etc.) and for the purposes that do not come directly under another classification of service.

Condominium/Complex: Building or group of buildings containing 2 or more single family dwellings, which are owned by the occupants.

Connected Load: The sum of the rated capacities of all of a consumer's equipment that can be connected to the utility's lines at one time. For motors, the name-plate rating in horsepower will be used. For the purpose of schedules based on horsepower, if not specified in the schedule, the nameplate rating of other devices will be converted into horsepower at the ratio of 0.746/1 kW per horsepower.

Consumer: A member/owner of Wells Rural Electric Company.

Date of Presentation: The date upon which a bill or notice is mailed as post-marked or the date delivered to the consumer by the utility.

Day: Calendar Day.

Delinquent Date: The day after the Due Date in any billing cycle.

Demand: The rate, measured in kilowatts, at which a customer takes energy from the electrical system. It is abbreviated "kW".

Disconnect Date: Five working days after the delinquent date.

Distribution Facilities: Overhead or underground facilities including but not limited to primary distribution facilities, substation facilities, secondary distribution facilities, housing, supports, lightning arrestors, or other necessary accessories.

Due Date: The 10th of each month for Billing Cycle 1. The 20th of each month for Billing Cycle 2. The 30th of each month for Billings Cycle 3.

Eligible Member: The following definition is for purposes of Rule 23 only: Net Metering generation system owner must be a member of WREC with an active account, i.e. they must consume power supplied by WREC in addition to selling power to WREC. Power consumed must be in addition to what is used by the generation system itself and ancillary loads of the generation system.

Farm: Operating unit with principle income derived from agricultural products.

Firm Power Capacity: The highest load the system can carry in the event that the largest generating unit should be out of service.

Governing Authority: That agency or body which exercises control over or has jurisdiction over specified areas regarding the operation of a utility in a given state, county, city or organization.

Hertz: Cycles per second. It is abbreviated "Hz".

Idle Services: WREC's facilities not utilized for more than five years will be considered an Idle Service.

Interruptible Service: Service which, in the opinion of the utility, is subject to discontinuance by the utility or the consumer for a time at intervals.

Irrigation Pumping Service: Electric Service used for irrigation or agricultural drainage purposes which is metered separately and billed under the applicable schedule.

Kilovolt Amperes: 1,000 Volt Amps. Often it is abbreviated as "kVa".

Kilowatt: 1,000 watts: often abbreviated as "kW".

Kilowatt-Hour: A measure of the quantity of electricity generated or consumed. It measures "how much" just as the word "miles" is a quantity of measurement. It is abbreviated "kWh".

Law: A rule, or rules, established and enforced by federal, state, county or municipal authorities.

Line Extension: An extension is any continuation of, or branch from, the nearest available existing facilities of the utility, including any increase of capacity of existing lines or facilities to fulfill the consumer's requirements.

Megawatt: 1,000 kiloWatts or 1,000,000 Watts.

Member/owner/consumer: The person in whose name service is rendered as evidenced by the signature on the application or contract for that service, or in the absence of a signed instrument, by the receipt and payment of bills regularly issued in his/her name regardless of the identity of the actual user of the service.

Member/owner/Address: The address specified in a consumer's application or contract, or any other address subsequently given to the utility by the consumer in writing.

Meter: All the apparatus for measuring the amount of energy, demand, and power factor delivered to a consumer including all instruments, transformers and testing facilities but excluding instrument boards, meter sockets and enclosures.

Mobile Home Park: Commercial facilities to accommodate 2 or more mobile home spaces.

Municipal Pumping: Electric service used for culinary water pumping, fire protection, or other normal municipal function.

Net Metering Generation System: Is a Renewable energy generation facility or fuel cell with manufacturer's rating maximum capacity of 50kW that is intended primarily to offset part, or all, of a WREC member's requirements for electric energy usage within the Company's service territory.

Net Metering Services: Measuring the difference between the electric energy supplied to an eligible member by the Company and the electric energy that is generated by the eligible member (as defined relative to Rule 23) and delivered to the Company at the point(s) of interconnection.

New Large Load: Any load addition by an existing consumer, or a new consumer load, which exceeds 365,000 kWh in any month. This load designation applies to "Industrial Power Service" rate class and is abbreviated as NLL.

Peak Demand: The average amount of power taken in a time interval during a billing period specifically provided for by the applicable rate schedule which is greater than the average of any other like interval in the same billing period.

Permanent Service: Service to residential, small commercial, irrigation and large power consumers when the permanency can be reasonably assured.

Person: An individual, partnership, corporation, governmental agency, or other organization operating as a single entity.

Point of Interconnection or Delivery: The point where wires or apparatus owned, leased, or under license by a consumer or interconnecting the utility's facilities, notwithstanding the fact that metering and under certain conditions transforming takes place beyond (on the consumer's side of) that point.

Power Factor: Some equipment demands more kilowatts than are actually put to useful purpose, so power factor is the expression (usually a percentage) of the relationship between the useful current and the total current used in an electrical device.

Primary Service: Three phase service at Company's primary distribution voltage or transmission voltage at the point service is provided to the Consumer. Primary service is available only to consumers in rate class 0008.

Public Service Commissions: The Public Utilities Commission of Nevada (PUCN) or the Public Service Commission of Utah (PSCU).

Qualified Facility: A generation facility that meets the requirements of PURPA i.e. will utilize renewable resources as fuel and/or produce two forms of energy simultaneously and otherwise meet the qualification standards established by the Federal Energy Regulatory Commission (FERC) including but not limited to certification as a Qualifying Facility by the FERC.

Ranch: Operating agricultural unit with principle income derived from livestock.

Regular Office Hours: Except for holidays, the period from 9:00 a.m. to 4:00 p.m. Monday

through Friday.

Renewable Facilities: Generation systems that have a manufacturer's minimum capacity rating of 1kW and maximum capacity of 50kW and that derive energy from the sun, wind, water or biomass to generate electricity. For purposes of Rule 23 only, this definition also includes fuel cells.

Reserve (or Standby) Capacity: Either a spare generating unit not currently in active use or a power interconnection with a neighboring company. This power is in reserve in case one or more of the operating units breaks down.

Residential Service: Village: Service to consumers supplied for residential purpose only in a single family dwelling or building or in an individual flat or apartment in a multiple family dwelling or building or portion thereof occupied as the home of one or more persons located within the limits of a city or in unincorporated densely populated areas.

Rural: A private residential service located outside the limits of any city, town, or densely populated unincorporated areas.

Rules: Regulations governing procedures for providing electric service to member/owners.

RV park: Commercial facilities to accommodate 2 or more recreational vehicle spaces.

Seasonal Service: Service to consumer facilities which are operated or occupied seasonally for less than 9 months or intermittently such as; seasonal resorts, cottages, stock water pumps and electric fence chargers, or other facilities with 15 kVa or less of connected capacity with intermittent kWh consumption. Part-time establishments.

Service: The availability of electric power and energy at the consumer's point of interconnection, in the form, and at the approximate volume required for the purposes specified in the application for service or contract irrespective of whether electric energy is actually utilized by the consumer.

Service Charge: That portion of the charge for service representing all or part of the fixed costs which remain constant regardless of the quantity of energy consumed and which can be expressed separately for billing purposes.

Service or Secondary Connections: The group of conductors, (wires or cable) overhead or underground, necessary to connect the service entrance conductors of the consumer to the utility's supply lines, regardless of the location of the utility's meters or transformers.

Single Family Dwelling: A house, an apartment, a complex, a flat, or any other permanent residential unit which contains cooking facilities and which is used as a permanent home by a single family.

Subdivision: Two or more residential or commercial lots or parcels with a recorded plat.

Summary Billing: The process of providing one statement per month to a member with a

summary of all of the accounts under the member's capital credit membership number.

System Capacity: The sum of the capacity of all units in all of a company's generating stations plus the capacities, which are purchased from other companies.

Tariff Schedules: The entire body of effective rates, charges, and rules collectively of the utility, as set forth herein.

Tariff Sheet: An individual sheet of the tariff schedules.

Temporary: Service when usage is expected to be less than 18 months.

Utility Operating Discretion: The term refers to the utilization, under certain circumstance, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the utility's operations; it does not refer to consumers convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules or regulations, or similar requirements of public authorities.

Voltage: The measure of electric pressure. Raising voltage results in increased capacity of a wire to deliver energy.

Watt: A measurement of the rate at which electricity is being generated or consumed. It measures "how fast" in the same way "miles per hour" tells the speed of a vehicle.

All definitions are subject to interpretation by a governing authority from time to time as the case for such interpretation may arise.

