CENTRAL VALLEY ELECTRIC COOPERATIVE, INC. SECOND REVISED RULES AND REGULATIONS NO 4 CANCELLING FIRST REVISED RULES AND REGULATIONS NO. 4

CONTRACTS Application – All Customers

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I. These items shall be in all contracts or Service Agreements for service:

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- 1. RULES & REGULATIONS: The consumer shall become a member of the Seller and be bound by the Provisions of the Articles of Incorporation and By-Laws of the Seller, and by such Rates, Rules and Regulations as may from time to time be adopted by the Seller.
- 2. This contract shall at all times be subject to such changes or modifications by the New Mexico Public Regulation Commission of the State of New Mexico as said Commission may from time to time direct in the exercise of its jurisdiction.
- II. These items may be included in any contract or agreement for service:
 - 1. Tax Adjustment: Billings under this schedule shall be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of ad valorem, State and Federal income taxes) payable by the utility and levied or assessed by any Governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.
 - 2. Power Factor: An average power factor of at least 90 percent and as near unity as practicable must be maintained by the consumer. The Cooperative may measure power factor at any time, and when adjustments are found necessary by the seller, such adjustments will be made by increasing the demand charge 5 percent for each 1 percent by which the average power factor is less than 90 percent. Power Factor may be determined either by continuous metering or periodic tests at the discretion of the Cooperative.

EFFECTIVE

Advice Notice No. <u>50</u>

NOV -1 2017

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Executive Vice President

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- 3. Fuel and Purchased Power Cost Adjustment: The charge per KWH of the above rate shall be increased or decreased by the amount that the Cooperative's purchased power cost per KWH exceeds or is less than the Cooperative's currently approved fuel and purchased power base cost per KWH, as specified by NMPRC Rule 550 and any New Mexico Public Regulation Commission approved variance from the Rule.
- 4. Any other restrictions or special conditions may be included in the contract, provided these conditions are agreeable to both parties.

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Signature:

Executive Vice President