

AGREEMENT FOR ELECTRIC SERVICE
BETWEEN
UNITED ELECTRIC COOPERATIVE SERVICES, INC. AND CUSTOMER NAME

This Agreement is made and entered into this 1st day of January, 2006 between United Electric Cooperative Services, Inc. ("SELLER"), and CUSTOMER NAME ("CUSTOMER"), (each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties").

1. Effective Date and Term. This Agreement shall become effective as of INITIAL DATE and shall have an initial term of INITIAL DATE until and including FINAL DATE, and shall automatically renew for additional one (1) year terms, unless either Party shall deliver to the other Party an advance written notice of its election not to renew this Agreement for the next twelve (12) month term. To be effective, an election by a Party not to renew this Agreement for the next twelve (12) month term must be made by advance written notice to the other Party not less than ninety (90) days prior to the commencement of the next one (1) year term ("90 Day Advance Notice of Termination"). A timely 90 Day Advance Notice of Termination by a Party shall be effective as of the end of the last day of the one (1) year term in which such 90 Day Advance Notice of Termination is given. Time is of the essence as to the required 90 Day Advance Notice of Termination.

2. Service Characteristics. Service shall be secondary service, alternating current, 3 phase, 4 wire, 60 cycles, and 277/480 nominal volts. CUSTOMER shall not use the electric power and energy ("Energy") furnished hereunder as an auxiliary or supplement to any other source of power and shall not sell electric power and energy purchased hereunder. The location of the service as supplied under this contract shall be limited to the location as requested by the CUSTOMER also known as SERVICE ADDRESS, DESCRIPTION OF LOAD, located at SELLER map/grid location ???-?-?.

3. Capacity and Energy. Subject to the other terms and provisions hereof and as defined in Schedule A, SELLER will sell and make available the maximum kilowatt demand necessary for CUSTOMER'S operations ("Capacity") at the Point of Common Coupling (PCC) as defined below, and will sell and deliver the associated Energy to CUSTOMER at the CUSTOMER'S PCC. Point of Common Coupling (PCC) is defined as point of interconnection where CUSTOMER owned facilities attach to SELLER owned facilities. CUSTOMER shall purchase all of the electric power and Energy which the CUSTOMER will use at its facilities as herein located and defined, and CUSTOMER shall pay for the Capacity and Energy during the term of this Agreement, in accordance with the terms and provisions of Schedule "A", attached hereto. The Capacity and Energy shall be available continuously during the term hereof, except for (i) force majeure (hereinafter defined and not limited by (ii) contained hereinafter in this sentence) or (ii) during an emergency as declared by the ERCOT Independent System Operator as now or hereafter defined in the ERCOT Emergency Electric Curtailment Plan (EECP), where load curtailment is deemed necessary by ERCOT.

4. Metering. The Capacity and Energy delivered hereunder to CUSTOMER shall be metered by KW Demand meters, or recorders owned and installed by SELLER at SELLER'S expense, and shall record 15 minute interval

data if so required by SELLER. If the CUSTOMER'S Capacity meets or exceeds 700 kilowatts (700 KW), CUSTOMER will be required, at CUSTOMER'S expense, to provide SELLER with a data communication service to the physical meter location for remote data access purposes. If this requirement is applicable, CUSTOMER may elect to request SELLER to provide cellular communications to physical location. If the communication data service is provided by SELLER, a \$25.00 monthly fee will be applied per SELLER'S policy/tariff.

5. Continuity of Service. SELLER shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If as a result of the occurrence of a force majeure event, the supply and/or distribution of Energy shall fail, be interrupted, or become affected, such shall not constitute a breach hereof and SELLER shall not be liable for damages caused thereby. "Force majeure" shall mean causes beyond the reasonable control of the Party claiming force majeure, including, but not limited to, any failure of facilities or fuel supplies or interruptions caused by fires, floods, lightning, storms, unusually severe weather conditions or other acts of God, acts of any government, acts of a public enemy, acts of other parties including acts (including but not limited to transmission constraints that prevent the delivery of electricity to the point of delivery) of ERCOT (Electric Reliability Council of Texas), ERCOT ISO (Electric Reliability Council of Texas Independent System Operator), vendors (including but not limited to wholesale energy providers) or contractors and their respective employees or agents, strikes, embargoes, or any other condition beyond the control and without the faults of either CUSTOMER, or SELLER; provided, however, that neither financial distress nor the inability of either CUSTOMER or SELLER to make a profit or avoid a financial loss shall be deemed a force majeure event. In the event of any such contingency, the Parties shall be given a reasonable period of time in which to complete the performance of their obligations.

6. CUSTOMER'S Electrical Load. Seller requires CUSTOMER to control the use of Energy so that Seller's electrical load at the PCC is in reasonable balance. Motors or equipment requiring capacity of 50 KW or greater that will be operated by CUSTOMER at this location will require prior approval from SELLER and may only be permitted where SELLER has determined that its delivery facilities are adequate and the frequency of starts are such that other customers served by SELLER will not be adversely affected. Any motor starting or electrical equivalent devices are to be of a type approved by the SELLER and are to be provided and installed by the CUSTOMER at the CUSTOMER'S expense. All existing motors, equipment and electric starters are hereby approved by SELLER. SELLER may require and CUSTOMER hereby agrees to provide, at CUSTOMER'S expense, suitable apparatus to limit the effect of voltage fluctuations caused by the operation of electric equipment at CUSTOMER'S facilities which produces voltage fluctuations, interference or distorted wave forms (harmonic distortion) that adversely affects electric service provided by SELLER to other customers. Such corrections will be done to bring harmonic effects, measured at the PCC, within the acceptable limits as specified in IEEE 519-1992 or later versions thereof. CUSTOMER agrees that the SELLER'S power factor, measured at the PCC, shall be within +/- 5 percent of unity power factor (ranging between 95% lagging and 95% leading). In the event that CUSTOMER'S load does not meet this requirement, SELLER may require CUSTOMER to install power factor correction equipment to meet the minimum power factor requirement at the CUSTOMER'S expense.

7. Invoices and Payments. Invoices for sums due hereunder shall be rendered monthly. Invoices shall be rendered to **CUSTOMER at NAME and ADDRESS, attention: Accounts Payable** (or such other person or address so directed in writing by CUSTOMER).

All invoices rendered hereunder are due when rendered and are past due if not paid within sixteen (16) calendar days thereafter. The SELLER shall assess a one-time charge of five percent (5%) on each past due invoice. Bills for service hereunder shall be paid at the office of the SELLER at 3309 North Main, Cleburne, Texas. Such payments shall be due each month for service during the preceding monthly billing period. If CUSTOMER shall fail to make any such payments within sixteen (16) days after such payment is due, SELLER may discontinue service to Customer upon giving eight (8) calendar days written notice to CUSTOMER of its intention to do so if such failure is not cured within the eight (8) day notice period; provided, however, that such discontinuance of service shall not relieve CUSTOMER of any of its obligations under this Agreement.

8. Default. A "default" occurs when either Party fails to comply with any material term of this Agreement. A Party shall give written notice of a default to the Party in default, and shall specify in such notice the default alleged. The Party in default shall have thirty (30) days from the date of receipt of such notice in which to cure such default and, if the default is cured within the applicable period, the default specified in such notice shall cease to exist. A default which is not so cured, or is not capable of being cured, shall entitle, but not require, the Party not in default to (i) immediately terminate this Agreement and be relieved of any further obligation hereunder and to recover from the Party in default all amounts due hereunder, plus all reasonable attorney's fees and costs incurred in connection therewith, or (ii) suspend further performance hereunder, without any liability in any manner for loss or damage arising from such suspension, until such default is cured, or, if cure is not possible, until the parties mutually agree to resume performance. No such termination or suspension will interfere with the enforcement by the party not in default of any other legal right or remedy; provided, however, that a default on the payment of an invoice for wholesale capacity and energy shall not be subject to the thirty (30) day cure period.

9. Indemnification. (a) CUSTOMER, as a condition of this Agreement, shall indemnify and hold harmless SELLER and SELLER'S officers, agents, and employees from and against all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys' fees, for injury to or death of any person, or for damage to property, arising out of operation and conduct of CUSTOMER'S business in any way growing out of this Agreement, either directly or indirectly, when such injury shall be found to have been caused by the negligent act or omission, or intentional misconduct of which CUSTOMER is by law responsible; provided, however, that SELLER provides to CUSTOMER written notice of such claim, if any, or filing of such lawsuit; provided further, that this indemnity shall only apply to the extent that the loss, damage, or injury results from the negligence or intentional wrongful act or omission of CUSTOMER, its officers, agents, or employees, and does not apply to the extent such loss, damage or injury is attributable to the negligence or intentional wrongful act or omission of SELLER, or SELLER'S officers, agents or employees or any other person

or entity. This provision is not intended to create liability for the benefit of third parties but is solely for the benefit of CUSTOMER and SELLER.

(b) SELLER, as a condition of this Agreement, shall indemnify and hold harmless CUSTOMER and CUSTOMER'S officers, agents, and employees from and against all claims, losses, damages, causes of actions, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys' fees for injury to or death of any person, or for damage to property, arising out of operation and conduct of SELLER'S business in any way growing out of this Agreement, either directly or indirectly, when such injury shall be found to have been caused by the negligent act or omission, or intentional misconduct of which SELLER is by law responsible; provided, however, that CUSTOMER provides to SELLER written notice of such claim, if any, or filing of such lawsuit; provided further, that this indemnity shall only apply to the extent that the loss, damage, or injury results from the negligence or intentional wrongful act or omission of SELLER, its officers, agents, or employees, and does not apply to the extent such loss, damage or injury is attributable to the negligence or intentional wrongful act or omission of CUSTOMER, or CUSTOMER'S officers, agents or employees or any other person or entity. This provision is not intended to create liability for the benefit of third parties but is solely for the benefit of SELLER and CUSTOMER.

10. Limitation of Liability. IN ANY CLAIM OR CAUSE OF ACTION RELATING TO THE PROVISION OF ELECTRIC OR OTHER SERVICE ASSERTED BY CUSTOMER OR ANY OTHER PERSON AGAINST SELLER, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, OR NON-DIRECT DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF USE OF EQUIPMENT, EXTRA EXPENSE DUE TO THE USE OF TEMPORARY OR REPLACEMENT EQUIPMENT, LOSS OF ELECTRONIC DATA OR PROGRAM, LOSS OF BUSINESS REVENUE, COST OF CAPITAL, OR ANY COST NOT PART OF NECESSARY REPAIR TO OR REASONABLE REPLACEMENT OF ELECTRIC EQUIPMENT WHETHER THE CLAIM OR CAUSE OF ACTION IS BASED UPON CONTRACT, TORT, NEGLIGENCE, PRODUCTS LIABILITY, OR ANY OTHER THEORY OF RECOVERY.

11. Miscellaneous.

11.1 Amendment. This Agreement may be amended only upon mutual agreement of the Parties hereto, which amendment shall not be effective until reduced to writing and executed by the Parties.

11.2 Regulatory Jurisdiction. This Agreement is subject to the rules, regulations, orders, taxes, levies and assessments and other requirements now or hereafter in effect, by all governmental authorities having jurisdiction over the Parties, or either of them, this Agreement, or any transaction hereunder.

11.3 Rights and Remedies Cumulative. Except as limited herein, the rights and remedies provided by this Agreement are cumulative, and the use of anyone right or remedy by either party shall not preclude or waive its right to use any or all other remedies. These rights and remedies are given in addition to any other rights a Party

may have by law, statute, ordinance, or otherwise subject, however, to the terms and conditions of this Agreement.

11.4 Waiver of Default. No waiver by either party of any default or breach of any term, condition, or covenant of this Agreement shall be deemed to be waiver of any other breach of the same or any other term, condition, or covenant of this Agreement.

11.5 Entirety of Agreement and Prior Agreements Superseded. This Agreement, including all schedules attached hereto, which are hereby expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the subject matter hereof. The Parties shall not be bound by or liable for any statement, representation, promise, inducement, understanding or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the parties with regard to the subject matter hereof, and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect.

11.6 Successors and Assigns. (a) Subject to the provisions of subsection (b) below, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties hereto, (b) Neither Party shall assign its interest in this Agreement in whole or in part without the prior written consent of the other Party. This provision shall not apply to an assignment to a parent, subsidiary, or affiliate corporation so long as the assigning Party remains obligated hereunder and such assignee agrees to be bound by the terms hereof. Any required consent shall not be unreasonably withheld; provided, however, that neither Party will be required to consent to any assignment which would, in its sole judgment, subject it to additional federal or state regulation, subject it to the plenary jurisdiction of the FERC, result in the imposition of additional costs of administration which the Party requesting assignment does not agree to reimburse, or in any way diminish the reliability of its system, enlarge its obligations or otherwise create or maintain an unacceptable condition. The respective obligations of the Parties under this Agreement may not be changed, modified, amended or enlarged, in whole or in part, by reason of the sale, merger or other business combination of either Party with any other person or entity.

11.7 Governing Law and Venue. THIS AGREEMENT IS EXECUTED AND DELIVERED INCIDENT TO A TRANSACTION NEGOTIATED (AT LEAST IN PART), CONSUMMATED AND PERFORMABLE (AT LEAST IN PART) IN JOHNSON COUNTY, TEXAS, AND SHALL BE GOVERNED, CONSTRUED, AND INTERPRETED AS TO VALIDITY, ENFORCEMENT, AND IN ALL OTHER RESPECTS IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND THE LAWS OF THE UNITED STATES OF AMERICA, AS APPLICABLE. THE COUNTY IN WHICH SELLER HAS ITS PRINCIPAL OFFICE IS JOHNSON COUNTY, TEXAS, AND SUCH COUNTY SHALL BE THE PROPER PLACE OF VENUE TO ENFORCE PAYMENT OR PERFORMANCE UNDER THIS AGREEMENT. CUSTOMER IRREVOCABLY AGREES THAT ANY LEGAL PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT IN THE STATE

COURT OF APPROPRIATE JURISDICTION IN JOHNSON COUNTY, TEXAS OR IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT IN WHICH JOHNSON COUNTY IS LOCATED.

11.8 Notices. Notices shall be given as provided herein to the designees listed below and shall be deemed to have been duly delivered if hand delivered or three days after being delivered to the United States Postal Service, certified mail, return receipt requested, postage prepaid, to:

- | | |
|---------------------|---|
| (a) If to CUSTOMER: | b) If to SELLER: |
| ADDRESS | United Cooperative Services, Inc.
P.O. Box 16
Cleburne, Texas 76033 |

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

11.9 No Third-Party Beneficiaries. This Agreement is not intended to and shall not create rights, remedies or benefits of any character whatsoever in favor of any person, limited partnership, association or entities other than the Parties hereto, and the obligations herein assumed are solely for the use and benefit of the Parties hereto, their successors in interest and, where permitted as provided herein, their assigns.

11.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all shall constitute one and the same instrument.

11.11 Headings. The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and shall be afforded no significance in the interpretation or construction of this Agreement.

11.12 Membership. CUSTOMER shall become a member of SELLER, an incorporated electric cooperative under the Electric Cooperative Corporation Act of the State of Texas. As such, the CUSTOMER retains the rights, privileges and responsibilities of its fellow members including compliance with all other provisions as stated in the SELLER'S Articles of Incorporation, By-laws and Tariff for Electric Service as they now exist or may thereafter be adopted or amended. Individual members are not, however, responsible for the debt or liabilities of the SELLER.

11.13 Right of Access. Duly authorized representatives of SELLER shall be permitted to enter CUSTOMER'S premises at all reasonable times in order to carry out the provisions hereof. SELLER and CUSTOMER will each indemnify and hold the other harmless for any property damage or bodily injury (including death) caused by the other's representatives while on CUSTOMER'S premises. CUSTOMER agrees to provide right-of-way(s) and/or easement(s) to SELLER where necessary to provide electric service to CUSTOMER.

11.14 Confidentiality. Each Party agrees, for itself, its wholly-owned subsidiaries, and their respective directors, officers, employees and representatives, including, without limitation, attorneys, accountants and consultants to keep confidential (i) this Agreement, (ii) all negotiations concerning this Agreement, and (iii) all documents, data,

drawings, studies, projections, plans and other information, whether written or oral, which relate to economic benefits to or amounts payable by either Party pursuant to this Agreement. Either Party may, without violating this Section, disclose matters which are made confidential by this Agreement:

(a) to actual or prospective co-owners, lenders, financiers, lessors, underwriters, contractors, suppliers and others involved in financing, construction and operation transactions and arrangements for a Party, or its subsidiaries, parent, or to actual or prospective fuel suppliers or fuel transporters; provided, however, that the Party making the disclosure obtains, as a condition precedent to the disclosure, a confidentiality agreement with the person, corporation or other entity to whom the disclosure is being made with terms substantially the same as this Section;

(b) to governmental officials and parties involved in any proceedings whereby either Party is seeking a permit, certificate or other regulatory approval or other necessary or appropriate approval to carry out this Agreement; provided, however, that the Party making the disclosure will exercise reasonable efforts to restrict public access to the information disclosed by way of protective order or otherwise;

(c) to governmental officials or the public as required by any law, regulation or order, including, without limitation, laws or regulations requiring disclosure of financial information, information material to financial matters and filing of financial reports; provided, however, that the Party making the disclosure will exercise reasonable efforts to restrict public access to the information disclosed by way of protective order or otherwise;

The Seller may also disclose amounts paid or credited the CUSTOMER hereunder as necessary to state and recover its costs in regulatory proceedings. Any disclosure permitted by this Section will be only to the extent such disclosure is necessary or required. To the extent that any information is in the public domain, it may be disclosed by either Party.

11.15 Severability. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected hereby; and each and every remaining term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

EXECUTED on the date and year first above written.

CUSTOMER NAME

By: _____
Title: _____
Date: _____

United Electric Cooperative Services, Inc.
By: _____
Title: _____
Date: _____

SCHEDULE "A"

Capacity and Energy Charges. For service provided for each month during the term hereof, CUSTOMER will pay to SELLER the following payments as per the approved tariff for General Service Three Phase Rate. Future amendments, changes, etc. to the SELLER'S Tariff for General Service Three Phase Rate may occur during the term of this Agreement. The current approved tariff shall govern the rates charged to CUSTOMER.

(a) **Customer Charge of:** **\$25.00 per meter**

(b) **Capacity Charge of:** **\$6.80 per KW per month**

This charge, for the rate at which energy is used, is applied to the maximum kilowatt demand for any period of fifteen consecutive minutes during the Billing period. In no event will Billing demand be less than 80% of the highest recorded KW established in the May through October billing periods.

(c) **Energy Charge of:** **\$.048102 per KWh in First Tier**
\$.028043 per KWh in Second Tier

The **First Tier** rate is applied to the first 175 KWh usage per KW of Billing Demand.

The **Second Tier** rate is applied to all remaining KWh usage.

(d) **Billing Adjustments:**

Primary Service Discount: For three phase service provided at primary distribution voltage the monthly rate shall be reduced by \$.0011 per KWh

Sales Tax: All Bills shall be adjusted by the amount of any sales tax or other tax attributable to the sale of electric service to the member unless member has previously provided satisfactory proof of exemption to UCS.

Power Cost Recovery Factor (PCRF): A variable amount for purchased power cost calculated in accordance with the SELLER'S Tariff.

Communication Data Service Fee: If this requirement is applicable, CUSTOMER may elect to request SELLER to provide cellular communications to physical location. If the communication data service is provided by SELLER, a \$25.00 monthly fee will be applied per SELLER'S policy/tariff

Agreed to for:

CUSTOMER NAME

By: _____

Title: _____

Date: _____

Agreed to for:

United Electric Cooperative Services, Inc.

By: _____

Title: _____

Date: _____

