SERVICE CLASSIFICATION NO. 2 (Cont'd)

<u>GENERAL SERVICE</u> (Cont'd)

MINIMUM CHARGE

The Customer Charge.

Where the service is supplied from an extension, a surcharge or additional minimum charge may be payable as provided in General Information, Section 5.A.

DETERMINATION OF DEMAND

The demand will be measured whenever (1) the difference between three consecutive actual bimonthly meter reads has exceeded 5,000 Kwh or the difference between four consecutive actual monthly meter reads during the preceding 12 months has exceeded 2,500 Kwh; (2) it is estimated that the usage of new or existing customers will exceed these amounts in future billing periods; or (3) the demand of new or existing customers is estimated to exceed 10 Kw.

When determined by measurement the demand shall be the highest 15-minute integrated demand established during the month for which the bill is rendered.

The Reactive Demand will be the highest 15-minute integrated kilovoltamperes of lagging reactive demand established during the month less one-third of the highest 15-minute integrated kilowatt demand established during that month.

For customers operating induction generators, reactive demand will be the highest 15-minute integrated kilovoltamperes of lagging reactive demand established during the month less one-third of the highest 15-minute integrated kilowatt generated during that month. In instances where there is no generation or a customer does not fully offset their load in a given month, reactive demand will be calculated in the manner consistent with all other customers.

The Reactive Demand Charge will be effective (a) August 1, 2010 for customers whose demands in any two of the previous twelve months are 1,000 kW or larger, (b) October 1, 2010 for customers with induction generators having a total nameplate rating greater than or equal to 1,000 kW, (c) October 1, 2011 for customers with induction generators having a total nameplate rating greater than or equal to 500 kW and (d) October 1, 2011 for customers whose demands in any two of the previous twelve months are 500 kW or larger.

If elevators, hoists, welding machines or other appliances of widely fluctuating loads are served under this classification, the demand in kilowatts of any installation including such load will not be taken as less than one-half the number of horsepower of the rated capacity of the largest individual elevator or hoist motor or other such appliances.

TERMS OF PAYMENT

Bills are due when personally served or three days after mailing. Bills shall be subject to a late payment charge in accordance with General Information, Section 16, if payment is not made by the date specified on the bill which date shall be not less than 20 days from the due date.

TERM

Terminable at any time provided that customer cannot resume service within twelve months at the same location without paying the reconnection charge set forth in General Information, Section 22.