

BELFALLS ELECTRIC COOPERATIVE

P.O. Box 598 • Rosebud, TX 76570 • Phone (254) 583-7955

Notice of Rate Change

Belfalls Electric Cooperative Inc. (the “cooperative”) has adopted a rate resolution pursuant to Texas Utilities Code section 41.06(k) approving changes to this rate. The estimated increase proposed in total system annual revenues is \$70,164 or 0.92 percent. The proposed change will be effective on January 26, 2006, or as soon as may be allowed by law.

The change will affect the customer charge portion of the rate

charged to the Residential Service class of utility customers. For this change, the cooperative’s current rate and the new rate that will become effective are in the chart presented here.

You may obtain further information concerning the proposed rate change and/or a copy of the proposed rate change by calling Joe Marek, general manager of the cooperative, at (254) 583-7955.

Service	Current Customer Charge	New Customer Charge
Rate Schedule 1—Residential Service	\$8.00	\$9.50

IN EMERGENCIES

To report power failures after business hours, call:

(254) 583-7955

If no answer, call:

Kenneth Fikes (254) 583-4556

Larry Koslosky (254) 583-4555

Doug Matous (254) 583-2957

Bobby Skala (254) 583-7219

Jeremy Tepe (254) 583-2557

Jake Willis (254) 583-0191

Ernest Martin (254) 583-2219

Joe W. Marek (254) 583-4016

James Campbell . . . (254) 583-2786

NEW WASHERS/DRYERS OFFER STYLE AND SAVINGS

Looking to replace that old washer that sounds like an earthquake on the spin cycle and is ratcheting up your electric bill? Take advantage of new washers and dryers that boast both stylish design and energy-conserving features.

Washer and dryer manufacturers are introducing colorful new models in red, blue, silver and more—along with sleek designs that include storage drawers for detergent and other laundry supplies.

Most new washers also are Energy Star-certified, which means they use 50 percent less energy to clean your clothes than standard models, and could save you up to \$110 a year. Dryers cannot earn Energy Star certification because they



all use similar amounts of energy.

Special features on new washers also make it easier for you to save energy. Look for these features when

buying a new washer or dryer:

- Front-loading washers. They use 40 percent less water and less energy because there is no agitator.
- More temperature control options. Washing and rinsing in cold water saves the most energy.
- Models with several options for load size and shorter gentle cycles. Make sure you do a full load every time, or adjust the water level if you don't.
- A dryer with a moisture sensor that shuts off when clothes are dry. This saves energy and is better for the fabric.
- A dryer with a cool-down or permanent press cycle. This uses cool air at the end of the cycle, which saves energy and prevents wrinkling.

Your Rights as a Member and Customer of Belfalls Electric Cooperative

A. Rate and service information

You may, either by phone or by personal visit to the cooperative's business office located at 128 Main Street, Rosebud, request copies of any portion of the cooperative's rate and service tariffs and rules. A nominal reproduction charge will be made for each copy and postage will be added if the copies are mailed.

B. Meter testing

As provided by the rules adopted by the cooperative, you may request a test of your electric meter if you believe that the meter is not accurately reflecting your actual electric consumption. This test will be made at no charge to you provided that the meter has not been tested during the previous four years. In the event that you request a test more often than once in four years and the meter is not defective, you will be required to pay a charge of not more than \$15 for the test.

C. Outstanding bills

Under the tariff of the cooperative, you have twenty-six (26) days from the date of the bill to pay an outstanding bill. The total of twenty-six (26) days consists of the sixteen (16) days from the date of issue to the due date and a ten (10) day past-due disconnect period. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

A timely payment made to the cooperative or an agency of the cooperative shall be classified as a payment received on time by the cooperative. A bill for utility service is delinquent if not received at the utility or at the utility's authorized payment agency by the due date.

D. Termination of service

Your electric service may be discontinued after proper notice for the following reasons:

1. Failure to pay a delinquent bill.
2. Failure to pay a delinquent account or meet the terms of a deferred payment plan.
3. Violation of the cooperative's rules for the use of service in such a manner that interferes with the service of others or the operation of non-standard equipment, provided that the cooperative will make every attempt to notify you of the problem and allow you to remedy the situation.
4. Failure to comply with the cooperative's deposit and guarantee requirements. The cooperative may also disconnect service at once and without notice where a dangerous condition exists and such disconnection shall remain in effect so long as the condition exists. Disconnection without notice may also be made when service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment. In instances of tampering with the cooperative's meter or equipment, bypassing same, or other instances of diversion, service may be terminated immediately.

E. Termination notice

The cooperative will either mail or personally deliver a written notice of termination at least ten (10) days prior to the date of disconnection. Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the cooperative are not available to the public for the purpose of making connections and reconnecting service. If mailed, the cut-off day will not fall on a holiday or weekend, but will fall on the next working day after the 10th day. The cooperative will not issue late notices or disconnect notices to the customer earlier than the first day the bill becomes delinquent, so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the cooperative's authorized payment agency.

If you are seriously ill or will become more seriously ill as a result of termination of service you may have your physician call or contact the cooperative within sixteen (16) days of the issuance of the bill concerning your condition. The physician must provide a confirmation letter to the cooperative within twenty-six (26) days of the issuance of the bill and the cooperative will then refrain from termination of service for sixty-three (63) days from the issuance of the bill unless a lesser period is agreed upon. If you make a request to avoid termination under this provision, you must enter into a deferred payment agreement.

F. Service and billing disputes

If you disagree with the cooperative regarding any aspect of the cooperative's service you may request a supervisory review. If you make such a request, you have five (5) days to participate in the review before the cooperative may terminate service if the dispute is one in which the issues may result in such termination, provided that notice has been given under standard disconnection procedures. The results of the supervisory review will be provided in writing to the customer within ten (10) days of the review, if requested. During the pendency of such appeal or other resolution of a dispute, but in no event more than 60 days, you may avoid termination of service by paying the average of your monthly bill for the past twelve (12) months as determined by the cooperative.

G. Payment arrangements

As a member of the cooperative, you have a right to request payment arrangements, in which an outstanding bill will be paid after the due date of the outstanding bill but before the due date of the next bill.

DEFERRED PAYMENT PLAN: If you have not been delinquent in paying your bill more than two (2) times in the last twelve (12) months and are unable to pay any or all of your bill, you are qualified for a deferred payment plan. Such plan requires that you keep all subsequent bills current and pay monthly an amount not to exceed one-third (1/3) of the outstanding amount. The deferred payment plan may be made by visiting the cooperative's business office or contacting the cooperative by

telephone. The deferred payment plan shall be signed by the customer and a copy of this signed agreement will be given to the customer. A five percent (5%) penalty will be applied when the customer is late with a scheduled payment as per the deferred payment plan. If you do not fulfill the terms of the agreement, your service may be terminated under standard termination procedures. Such breach of the agreement voids your right to a deferred payment plan or renegotiation to avoid termination. The cooperative is not required to offer this arrangement if you have had service for less than three (3) months.

H. Service reconnection

If your service is interrupted for any of the reasons listed under Section D of these rights, you may re-establish service when all outstanding and delinquent bills are paid and when a deposit or other evidence of payment guarantee is provided to the cooperative.

I. Cooperative office and business hours

The cooperative's business office is located at 128 Main in Rosebud, Texas. The office is open from 8 a.m. to 5 p.m., Monday through Friday, except holidays. The telephone number is (254) 583-7955.

If your power fails:

1. Check your fuses or circuit breakers to determine that the trouble is not in your own system.
2. Check with your neighbors to see if they have electricity.
3. Have your bill handy when you call the office so you can give your account number and/or meter number shown on your bill.
4. Report an outage or emergency to the following numbers:
Ernest Martin(254) 583-2219
Kenneth Fikes(254) 583-4556
Larry Koslosky(254) 583-4555
Joe W. Marek(254) 583-4016
Doug Matous(254) 583-2957
Jeremy Tepe(254) 583-2557
Bobby Skala(254) 583-7219

5. Persons calling Long Distance to report an outage may call "collect"
6. If the outage is the responsibility of the cooperative, there is no trip fee charged. If the outage is on the customer's side of the meter, such as blown fuse or tripped breaker, etc., you will be billed for a trip fee.

J. Meter reading

One way you get electric service at cost is by reading your own meter. The meter readings you send in to the cooperative each month enable the cooperative to determine how much electricity you have used and how much you owe for it. The bill you receive from the cooperative each month has a special place in which to write the numbers shown on your meter.

Be sure to record the numbers exactly as they appear on your meter from left to right. If you fail to send your meter reading to the cooperative each month, the cooperative will "estimate" the amount of electricity you have used. Read your meter the day you receive your electric bill ... write the exact numbers on the space provided on the bill ... write the date read ... and return it along with your payment to the cooperative no later than the due date indicated each month.

K. Deposit policy

(a) Initial Deposit from Applicant
Subject to these rules, a residential applicant shall not be required to pay a deposit:

(1) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account, and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment; applicants are encouraged to obtain a letter of credit history from their previous utility, and utilities are encouraged to provide such information with final bills.

(2) if the residential applicant demonstrates a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity; or

(3) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required;

(A) unless otherwise agreed to by the guarantor, the guarantee shall be for the amount of deposit the utility would normally seek on the applicant's account. The amount of guarantee shall be clearly indicated on any documents or letters of guarantee signed by the guarantor.

(B) when the customer has paid bills for service for 12 consecutive residential billings without having service disconnected for nonpayment of bills and without having more than two occasions in which a bill was delinquent, and when the customer is not delinquent in the payment of current bills, the utility shall void and return any documents or letters of guarantee placed with the utility to the guarantor.

(b) Initial Deposit from Applicant 65 or older

All applicants for permanent residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance within the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(c) Initial Deposit from Customer

An initial deposit may not be required from residential customers

unless the customer has more than one occasion during the last 12 consecutive months of service in which a bill for utility service was paid after becoming delinquent or if the customer's service was disconnected for nonpayment. Such deposit may be required to be made within 10 days after issuance of written termination notice and requested deposit. In lieu of initial deposit, the customer may elect to pay the current bill by the due date of the bill, provided the customer has not exercised this option in the previous 12 months. The customer may furnish in writing a satisfactory guarantee to secure payment of bills in lieu of cash deposit.

(d) Additional Deposit

If actual billings of a commercial customer are at least twice the amount of the estimated billings, and a suspension notice has been issued on a bill within the previous 12-month period, a new deposit may be required to be made within 15 days after issuance of written notice of termination and requested additional deposit. If actual billings of a residential customer are at least twice the amount of the estimated billings after two billing periods, and a suspension notice has been issued on a bill within the previous 12-month period, a new deposit may be required to be made within 15 days after issuance of written notice of termination and requested additional deposit. In lieu of additional deposit, the customer may elect to pay the current bill by the due date of the bill, provided the customer has not exercised this option in the previous 12 months.

(e) Amount of Deposit

The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billing.

(f) Deposit Interest

Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits at an annual rate at least equal to 6 percent compounded annually. If a refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(1) Payment of the interest to the customer shall be annually if requested by the customer, or at the time the deposit is returned or credited to the customer's account.

(2) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(g) Refund of Deposit

(1) If service is not connected, or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. A transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these sections, and no additional deposit may be demanded unless permitted by these sections.

(2) When the customer has paid bills for service for 12 consecutive residential billings or for 24 consecutive commercial or industrial billings without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent, and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's bill or void the guarantee. If the customer does not meet these refund criteria, the deposit and interest may be retained in accordance with subsections (b), (d), (e) and (f) of Deposit Policy.

L. Financial assistance

The following governmental or social service agencies may be able to assist you if you are having trouble making your payment for electric service to the cooperative:

FALLS COUNTY: Economic Opportunities Advancement Corp. of Planning Regions XI, 500 Franklin Avenue, Waco, TX 76707-3799; (254) 803-3751, (254) 753-0331 Ext. 218.

BELL AND MILAM COUNTIES: Hill Country Community Action Association, Inc., P.O. Box 846, San Saba, TX 76877; (325) 372-5167, Ext. 232.

MILAM COUNTY: Rockdale Senior Citizen Center, Rockdale, TX 76567; (512) 446-2666.

ALL COUNTIES: Texas Department of Housing and Community Affairs, Energy Assistance Section, P.O. Box 13941, Austin, TX 78711-3941; (512) 475-3800.

M. Nondiscrimination

Your cooperative provides electric service without discrimination as to member's race, nationality, color, religion, sex, or marital status. Credit history shall be applied equally for a reasonable period of time to a spouse or former spouse who shared the service. Credit history maintained by one must be applied equally to the other without modification and without additional qualifications not required of the other.

N. Special services

1. As a special service to the deaf, a teletypewriter is provided by the Public Utility Commission of Texas. The telephone number for the teletypewriter is (512) 936-7136 TTY-FOR THE DEAF.

2. As a special service to someone on electrically operated life support equipment, the cooperative maintains a list of these members, allowing the cooperative to notify these members of planned electric service interruptions.

To have your name added to this list, write the cooperative a letter at P.O. Box 598, Rosebud, TX 76570, giving your name, address, telephone number, customer I.D. number, disability and a telephone number of a relative or friend the cooperative can notify if we are unable to contact you by telephone. A letter from your physician describing your needs regarding the life support equipment would also be helpful.