
LEGACY EGSL TERMS AND CONDITIONS

1. PURPOSE. These Terms and Conditions are prescribed to govern electric service and are intended to facilitate the rendering of uniform, efficient, and adequate service to the Customers of Gulf States Utilities Company. They are necessary to a clear understanding of the obligations of all parties to the business relations of the Company with its electric Customers, and are a part of the Company's contract with each Customer and part of the Company's Rate Schedules. Any or all of these Terms and Conditions not inconsistent with a particular rate schedule are as much a part of such Rate Schedule as if repeated therein.

2. REQUESTS FOR SERVICE. Applications for electric service, within the territory served by the Company of a type for which the Company has a rate schedule on file, will be accepted from applicants when such service is available, subject to the provisions of these Terms and Conditions. Service will be considered available if the point of delivery is located immediately adjacent to the Company's distribution line of suitable phase, voltage, and capacity to deliver the service at the applicable rate schedule, and the Company has the required power and energy available at the point of delivery to supply the applicant.

Each class of service, at each location at which service is desired, will be considered separately, and there will be a separate application of the appropriate rate schedule for each class of service at each point of delivery.

Certain situations may require written contracts; such contracts may contain special provisions that apply to the particular situation. In the case of Customers whose load is of unusual size or characteristics, or at a remote location, additional rate and contractual arrangements may be justified. References in these Terms and Conditions to "contract" or "contract with Company" are intended to include, when applicable, any written Contract for Electric Service in effect between the Company and Customer at the time, including collectively as part thereof for all purposes the Terms and Conditions in effect at the time (subject to changes by the Company as provided in the Contract), the terms and provisions of all rate schedules and riders (such schedules and riders also being subject to change by the Company as provided herein) as in effect at the time and applicable to the electric service provided to the Customer pursuant to its contract with Company, and any other written and duly executed agreements between the Company and Customer.

A connection charge compensating Company for its costs may be made by Company, in accordance with Company's rate schedule then in effect providing for such charge, upon connection or reconnection of facilities for service.

3. ELECTRIC SERVICE. Electric service means the availability of electric power and energy, irrespective of whether any electric power and energy is actually used. Supplying of service by Company consists of the maintaining by Company, at the point of delivery, of approximately the established voltage and frequency by means of facilities adequate for carrying Customer's proper load.

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4. RATE AND USE OF SERVICE. The Customer will receive and pay monthly for all electric service supplied in accordance with the applicable rate schedule. Bills are to be rendered monthly by the Company in accordance with the said rate and are payable within 20 days from billing date. The terms "month" and "monthly" as used herein are intended to designate the period between any two consecutive readings of the Company's meters at approximately 30-day intervals.

Bills are considered paid only when payment has actually been received and credited by Company. Checks shall constitute conditional payment only, dependent on clearing.

When it sends an employee to collect or undertakes other efforts to collect a delinquent bill, a collection charge compensating Company for its costs may be made by Company in accordance with Company's rate schedule then in effect providing for such charge.

Except when specifically provided for in the contract or rate schedule in effect between Company and Customer, Customer shall not, directly or indirectly, resell, sublet, assign, share, or otherwise dispose of the electric service, or any part of such service; and where provided pursuant to contract, shall use such service solely for the purposes described in its contract with Company. Except when specifically provided for in a contract in effect between Company and Customer, Customer shall not use the electric service supplied by Company as supplementary, standby or breakdown service. If, and only if, Customer and Company enter into a specific contract therefor, Company will supply auxiliary and standby service pursuant to the terms of such contract. In such event, the Customer agrees to arrange its wiring, by means of a double-throw switch or other suitable devices, so that Customer's equipment cannot create a hazard on the Company's lines by energizing these lines. Customer further assumes all responsibility for energizing of Company's lines by Customer's equipment and agrees to protect and save Company harmless and indemnified from injury or damage to persons or property occasioned by the energizing of Company's lines by Customer's equipment.

The Customer will not extend nor connect installations across a street, alley, lane, or other public or private space in order to obtain service for other premises, even though such other premises may be owned by the Customer, except on written consent of the Company.

If more than one rate is applicable to Customer's service, Customer may choose whichever applicable rate is best adapted to his existing or anticipated service on at least a twelve-month basis, and having selected such rate may not again change rate within a twelve-month period without the prior written consent of Company. The preceding sentence shall in no event, however, permit a Customer to change or abrogate the Customer's obligation under any contract, rate schedule or rider for payment of any minimum or facilities charges. A new Customer will be given reasonable opportunity to determine his service requirements before selecting the most favorable rate for such requirements. The Company does not assume responsibility that Customer will be served under the most favorable rate and the Company shall have no liability to make refunds covering the difference in charges under the rate in effect and the charges under any other rate applicable to Customer's service.

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5. RATE CHANGES BY COMPANY. The rates and charges charged Customer will be the Company's going rates and charges in effect for like conditions of service to the class of service, as provided in the Company's rate schedules, or in effective superseding rate schedules promulgated by the Company which are filed with, accepted for filing, or approved, as appropriate, by the regulatory authority having jurisdiction thereof.

Anything in these Terms and Conditions, any contract with Customer, or any rate schedule to the contrary notwithstanding, each and all rates and charges by Gulf States in any rate schedule may be changed by the Company from time to time, at any time, and Company shall have and hereby specifically reserves the right in all events to change the rates and charges for its services, in accordance with applicable law and procedures prescribed by the regulatory authorities having jurisdiction over such rates and charges, and to seek and place in effect changes in its rates and charges without the concurrence or joinder of Customer. All increases in rates and charges by Company shall apply to service contracted prior to the effective date of the increase as well as service contracted after such effective date. Such increased or decreased rates shall be effective from such date with respect to service thereafter furnished to Customer even though such changed rate may not then be made effective as to all Customers within such class because of then existing contract restrictions or because of regulatory or governmental action, delay, or inaction with respect to such rate change being made applicable to other Customers. Customer shall have such rights as may be provided by applicable law and regulatory procedures to contest before the regulatory authority having jurisdiction whether any such changes in rates and charges are just and reasonable.

6. DEPOSITS. The Company may require the Customer to make and maintain a reasonable deposit to guarantee payment of bills in accordance with any applicable regulatory guidelines. When service is discontinued, the amount of the deposit plus interest thereon will first be applied to pay any amount owed the Company by the Customer, and any remaining portion of the deposit and interest will be refunded.

7. POINT OF DELIVERY. The Company will normally supply to one premise only one point of delivery and only one of Company's standard types of services and the Customer's installation is to be so arranged that Company measures the Customer's electric service with one metering installation. Unless otherwise specified in any written contract with Customer, the point of delivery of service shall be on the outside walls of Customer's building at a point nearest the lines of the Company. The Company's rate schedules, unless otherwise stated in the schedules, contemplate only one point of delivery to one premise, by overhead (aerial) connection by the shortest and most direct route. Only underground service is available in underground network areas.

8. METERING. All meters and devices necessary to measure electric energy are to be furnished and installed by the Company and will remain the property of the Company. Company shall have access to its property on Customer's premises at all reasonable times.

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The Company will test its meters at intervals as may be required by good operating practice and all lawful regulations. In case of question as to the accuracy of the Company's measuring instruments, either party shall have the right at any time, and from time to time, upon giving reasonable notice to the other party to have them tested, and, if necessary, recalibrated with both parties represented at the test. When requested by the Customer, the expense of the test and/or recalibration shall be borne by the Customer (subject to applicable regulatory limitations) if the Company's meters are found to be accurate within two (2) per cent; otherwise, the cost of the test shall be paid by the Company. No allowance in the charge for power shall be made to the Customer unless the error of the meter or meters exceeds two (2) per cent. If it shall be shown by the test that any of the measuring instruments are inaccurate, proper allowance as shown by the test to be necessary shall be made to the party entitled thereto, but not for a longer period than thirty (30) days prior to the time when written complaint of inaccuracy is made. No allowance will be made on any bill on account of claim for inaccuracy of measurement unless Customer shall in writing request such allowance within thirty (30) days from date of bill. If the Company's measuring instruments fail to register at any time during any month, the power delivered during such month shall be estimated upon the basis of the amount of power delivered during the last preceding or next succeeding period of one month that the Customer's facilities are operated under conditions similar to those existing during the month in which said instruments failed to register.

9. DEFAULT AND SUSPENSION OF SERVICE. The Company may suspend service and remove its facilities from the Customer's premises for any of the following reasons: (a) default by Customer in the payment in full when due of any sums due to Company under any contract with Customer, or the Terms and Conditions, or applicable rate schedules then in effect; and failure to cure such default within five days after written notice to Customer from Company demanding payment; (b) failure of the Customer to perform any of its obligations under any contract with Company or to comply with any of these Terms and Conditions, or the applicable provisions of any rate schedule; (c) fraud or abuse by Customer, or failure of Customer to prevent fraud or abuse in the receipt by Customer of electric service or in connection with the metering of such service to Customer, or discovery by Company that the meter used in connection with service to Customer has been tampered with or damaged; or (d) discovery of conditions dangerous to life and property. Provided that the cause for suspension has been removed and that any applicable contract with Company has not been terminated, service will be restored in cases of suspension of service for any of the above reasons after Customer has paid a fully compensatory charge to offset Company's cost incurred in disconnecting and reconnecting service, and any sums due for electric service previously rendered and, if requested by Company, Customer has made a reasonable deposit to guarantee performance by the Customer thereafter. Such charge for discontinuing and reconnecting service shall be in accordance with Company's schedule then in effect providing for such charge.

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Except where specific notice is otherwise provided for above, reasonable notice to Customer prior to suspension of service shall be given, if and to the extent circumstances permit: provided, however, that Company shall have the right to suspend service even without notice (either by automatic equipment or otherwise) when there is not reasonable time under the circumstances to give notice such as in those circumstances where the default, in Company's judgment, is immediately endangering or damaging the equipment or facilities of Company or another Customer or interconnected party of Company, is interfering or may immediately interfere with service to any other Customers, is causing serious fluctuation of voltage, or is immediately endangering the stability, integrity, or safe operation of Company's system or any part thereof. Suspension of service shall not interfere with the enforcement by the Company of any rights of the Company under any contract with Customer, or the Terms and Conditions, or rate schedules then in effect, or of any other legal right, claim, or remedy Company may have against Customer.

Should the Customer at any time be in default under clause (a) or (b) above and fail to cure same after the notice provided for above, be in default in its obligations under Section 10 relating to requested curtailment, or if circumstances in clause (c) above should occur, then Company may, at its sole election, terminate and cancel any contract for electric service then in effect with Customer, in which event the parties shall thereby be severally released from all obligations hereunder, other than rights of action then already accrued.

Except where conditions described in clauses (c) or (d) above exist, service to a Customer shall not be terminated when the Credit Department of the Company has been advised in writing that the termination of service would be especially dangerous to the health of the Customer or a permanent member of the Customer's household, and, further, when such Customer can also establish that he is unable to pay for such service in accordance with the requirements of the utility's billing but is able to pay for such service only in installments. The Customer who makes such a request shall sign an installment agreement which will provide for payment of such service along with timely payments or subsequent monthly billing. The Company may, at its discretion, require the Customer to furnish as often as monthly the statement of a medical doctor to establish that termination of service would be especially dangerous to such Customer or permanent member of the household.

No dispute with reference to the amount due for power shall excuse the Customer from paying, at the time when payment is called for by any contract with Customer, or the Terms and Conditions and rate schedules then in effect, the amount stated by Company to be due, but the Customer shall be entitled to recover any amount which it may have paid in excess of the amount actually found to be due.

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10. INTERRUPTIONS AND CURTAILMENT. Company will endeavor to supply Customer a steady and reliable supply of electric energy, but does not warrant or guarantee the service against irregularities or interruptions. Company shall not be liable to Customer, whether under contract or otherwise, for any damages or loss, direct or consequential, by reason of the failure of the Company to supply, or the Customer to receive, electric energy, or for any interruption, voltage reductions or abnormalities, reversal of the supply or other irregularity, in the supply of electric service to Customer where such failure, interruption, reduction, abnormality, reversal, or other irregularity, directly or indirectly, (i) is by function of under frequency relays or other automatic load shedding equipment to preserve the integrity of Company's system or interconnected systems or (ii) is due to the negligence of Company, or its employees or contractors, and does not constitute gross negligence of or a willful default by Company; or (iii) is the result, in whole or in part, of injunction, fire, strike, lockouts and other industrial or labor disturbances, riot, explosion, storm, hurricane, wind, lightning, flood, accident, breakdown, material shortage, delay in delivery, fuel shortage, fuel rationing, or fuel curtailment, governmental or regulatory action or inaction (included but not limited to action sought or supported by Company), acts of God, acts of any public enemy, civil disturbance, sabotage, delay or failure of performance by a third party, war national emergency, voluntary cooperation by the Company in any method of operation with, or in any program recommended or requested by civil or military authorities, or as a result of other acts of conditions, whether of the same or different type, which are beyond the reasonable control of Company (exclusive in all events of those described in (i) and (ii) preceding and the following paragraph, which operate independently). In connection with strikes, lockouts and other industrial disturbances, the settlement thereof shall be entirely within the discretion of the Company, and the Company shall not be required to make any settlement thereof by acceding to the demands of the opposing party or parties when such course is in the judgment of the Company unfavorable to the Company, and in connection with any disputes with governmental or regulatory authorities with respect to orders, conditions, restraints, regulations or other actions, the resolution thereof shall be entirely within the discretion of the Company, and the Company shall not be required to accede to any such actions when such course is in the judgment of the Company unfavorable to it.

Further, Company's obligation to supply electric service is also at all times subject to, and Company shall not be liable to Customer, whether under contract or otherwise, for any damages or loss, direct or consequential, by reason of (i) interruption of service by Company to make repairs or changes in or replace, test, or inspect the Company's equipment or facilities, (ii) interruption or curtailment of service by manual load shedding in an emergency when, in Company's judgment, such action will tend to prevent or alleviate a threat to the integrity of Company's power supply; (iii) curtailment by Company of any electric service to Customer or refusal by Company to supply additional capacity or energy to Customer due to Company's implementations of its electric capacity and energy curtailment programs (which programs may provide for priorities as between various classes and categories of Customers and various use of electric service, may be implemented system-wide, regionally, or locally in the discretion of Company, and may be amended or supplemented by Company from time to time) whenever Company in its discretion, which shall not be exercised unreasonably, deems such implementation to be necessary because it is experiencing or is about to experience a shortage of capacity or energy resulting from any cause, subject to any order of any regulatory authority having jurisdiction, (iv) curtailment of any electric service to Customer made by Company in

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compliance with orders or requests of any governmental agency curtailing, conserving, reallocating, or diverting available electric power resources or fuel (including but not limited to orders sought or supported by Company), or (v) acceptance by Company (either with contract or without) of new Customers and additional loads of Customers being served even though doing so may affect Customer by increasing the amount, frequency, or duration of curtailment of service to Customer pursuant to such programs, unless the Company acts in bad faith in accepting the new or additional load. Upon written request from Customer, Company will provide to Customer a copy of such programs as supplemented, modified, and in effect from time to time. Customer shall be fully responsible for installing on the Customer's side of the point of delivery all equipment necessary to enable the Customer to effect such curtailment may be provided for or requested under such programs.

In the event Company does curtail electric service to Customer pursuant to such program, Customer agrees that upon request it shall immediately take all action necessary to achieve the requested curtailment. In the event Customer does not upon request by Company immediately obtain the requested amount of curtailment, then such failure shall constitute a default by Customer hereunder, and in addition to other recourse which may be available to Company based upon such default, Company shall have the right to totally interrupt and suspend service to the Customer without further notice during the period such curtailment is in effect. However, if actual interruption of service to such defaulting Customer is not effected, Company shall not be liable for proceeding with other curtailment or for the effect such failure by the defaulting Customer may have upon other Customers. In the event that service to a defaulting Customer is not or cannot be effected for any reason, the Company shall be authorized to charge such defaulting Customer for electric service taken by the Customer in excess of the level to which the Customer was requested, either directly or through public media, to reduce its consumption an amount equal to five times the charge normally billable therefor under applicable rate schedules. Such charge shall be in addition to the regular rates chargeable for the service to such Customer.

Whether a Customer has theretofore achieved requested curtailment or not, nothing herein shall limit the Company's rights to require further curtailment by or to interrupt service to such Customer nor limit the Customer's responsibilities with regard thereto.

If it is practicable to do so under then existing conditions, Company shall attempt to give Customer advance notice of any interruption or curtailment, which notice may be by telephone, telegraph, public media or other means, as appropriate; provided, however, that the Company shall have the right to interrupt or curtail service even without notice (either by automatic equipment or otherwise) when there is not reasonable time under the circumstances to give notice. As used in this Section, the terms "curtailment" shall for all purposes include voltage reductions or abnormalities, suspensions of service, and any other forms of modification, reduction, or interruption, in whole or in part, of electric service.

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11. PRORATION OF BILLING TO CONTRACT CUSTOMERS. A Customer receiving service under a contract shall not be liable to Company for damages or loss, direct or consequential, by reason Customer's failure to take electric service made available by Company in the amount provided for in the contract with Customer, where such failure is the result of injunction, fire, strike, riot, explosion, flood, accident, breakdown, acts of God, acts of any public enemy, or other acts or conditions reasonably beyond the control of Customer. The inability of a Customer, regardless of the cause, to take service made available by Company, shall not relieve the Customer from his obligation to continue to pay in accordance with the applicable rate schedules, as provided in the contract with such Customer. However, in the event that a strike at Customer's plant being served hereunder, or in the event of physical damage to, or destruction of, Customer's facilities at said plant, prevents, for a continuous of sixty (60) day period, the use of Customer's facilities for the purpose for which they were operated prior to said strike, damage or destruction; and if Customer gives Company written notice of such during said sixty days; then commencing sixty days after the beginning of such strike, or the happening of such damage or destruction, the amount of Customer's Contract power commitment under its contract with Company will thereafter be reduced to reflect the effect of the strike, damage or destruction upon the Customer's power requirements, so long thereafter and only so long thereafter as Customer's loss of use of facilities, because of such strike or damage or destruction, continues. However, Customer's obligation to pay facilities charges is unconditional, and such charges are payable regardless of Customer's inability or failure to take service for any reason, and minimum charges under applicable schedules are due and payable in all events (except as provided above with respect to strike, damage or destruction) even though Customer takes no service or takes less than the amount on which the minimum charge is based.

12. LIABILITY. Customer assumes all responsibility for the electric power and energy supplied hereunder after it leaves Company's lines at the point of delivery, as well as for the wires, apparatus and appurtenances used in connection therewith where located at or beyond the point of delivery; and Customer hereby agrees to protect and save Company harmless and indemnified from injury or damage to persons or property occasioned by such power and energy or by such wires, apparatus and appurtenances located at and beyond the point of delivery, except where said injury or damage shall be shown to have been occasioned by the sole negligence of Company or of its contractors. Further Company shall not be responsible for injury or damage to anyone resulting from the acts of the employees of Customer or of Customer's contractors in tampering with or attempting to repair, operate and/or maintain any of Company's lines, wiring, apparatus or equipment on Company's side of the point of delivery; and Customer will protect, save harmless and indemnify Company against all liability, loss, cost, damage and expense including attorney's fees by reason of injury or damage to such employee or to any other person or persons, resulting from such acts of Customer's employees or contractors. Likewise, Customer shall not be liable for injury or damage to anyone resulting from the acts of the employees of Company or of Company's contractors, in tampering with or attempting to repair and/or maintain any of Customer's lines, wiring, apparatus or equipment, and Company will protect, save harmless and indemnify Customer from all liability, loss, cost, damage and expense including attorney's fees by reason of such injury or damage to such employee or to any other person or persons, resulting from such acts of Company's employees or contractors.

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13. FRANCHISES, RIGHTS-OF-WAY, PERMITS, ETC. It is understood and agreed that the Company's obligations to supply service are conditioned upon securing and retaining the necessary franchises, rights-of-way, and permits, at costs in its judgment reasonable and without the exercise of its right of eminent domain or expropriation, to enable it to make delivery of electric service, and the Customer agrees to furnish free of cost a right-of-way over land which is owned or controlled by the Customer, for delivery of electric service to Customer, and to aid in every way in securing other necessary rights-of-way, and furnish Company's employees access to premises free of tolls or other charges when employees are on Company business.

The Customer shall furnish a suitable place for the proper installation of transformers, meters and other electrical equipment necessary to deliver and measure the electric energy to be supplied by Company to Customer. Customer agrees not to injure nor tamper with, and to take any reasonable steps to prevent employees of Customer or other persons from injuring or tampering with, said transformers, meters and other electrical equipment of Company.

Customer agrees to install and maintain in a thoroughly safe and efficient manner, and in accordance with good electrical practice and all applicable lawful regulations, all of its lines, wiring, apparatus, machinery and appliances connected to Company's lines. If at any time any part of Customer's lines, wiring, apparatus, machinery, or appliances shall be in a condition which interferes with Company's proper service to Customer, or to its other Customers, Company shall have the right, in addition to any other right of discontinuance hereunder, to discontinue service to Customer until such interfering parts shall be put back in proper operating condition, or shall have been replaced or disconnected. Except in case of emergency, Company shall give Customer reasonable written notice of its intention to discontinue service to Customer on account of any such claimed interference and, where practical, allow suitable time for the repair or replacement of such interfering part. Neither party to any contract between Company and Customer assumes the duty of inspecting the other party's lines, wiring, apparatus, machinery, or appliances, or any part thereof, and the fact that service may have been made available does not in any way constitute Company's approval of Customer's installation.

14. PAYMENT FOR ALTERING EXISTING SYSTEMS. If the Company makes changes in existing overhead or underground systems or facilities at the Customer's request, the full cost of such changes (including but not limited to any governmental assessment, fee, or tax, including any income tax which may be due by Company on any such payments) shall be paid by the Customer in advance of construction based upon Company's estimate of such costs.

15. TEMPORARY SERVICE. Installation cost, cost of materials not salvable and removal cost of facilities for temporary service shall be paid by the Customer in addition to the amounts arrived at by applying the appropriate rate schedule. Customer shall pay to the Company in advance for the installation costs, cost of materials not salvable and removal costs, as estimated by the Company, in addition to the deposit which may be required as security for payment for electric service. The Company may refuse to render temporary service if service to other Customers will be affected adversely.

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16. CONNECTIONS TO COMPANY'S LINES. All connections to the lines or facilities of the Company will be made by the Company's authorized employees.

17. VOLTAGE FLUCTUATIONS. In case Customer has equipment having electric characteristics which may cause serious fluctuations of voltage and interfere with the service of the Company to its Customers, the Company may decline to serve or to continue to serve such equipment under the Company's established rate schedules until the Customer having such equipment has provided, at his expense, suitable corrective devices to hold to reasonable limits the effect of such fluctuations. Circumstances may require such equipment to be supplied separately from other service, and in such event, Company may require additional contractual arrangements and may meter and bill such service separately from other service supplied to the Customer.

18. REMOVAL OF COMPANY'S FACILITIES. Upon discontinuance of service the Company may without liability for injury or damage dismantle and remove all facilities installed for the purpose of supplying electric service to the Customer, and shall be under no further obligations to serve Customer at point of delivery.

19. NONWAIVER. No delay by the Company in enforcing any of its rights against Customer, or any other Customer, shall be deemed a waiver of such rights, nor shall a waiver by the Company of one of the Customer's defaults or any default by another Customer be deemed a waiver of any other or subsequent default.