COLUMBUS ELECTRIC COOPERATIVE, INC.

ARIZONA ELECTRIC CONSUMER RATE SCHEDULE B SMALL COMMERCIAL SERVICE

Page 1 of 2

AVAILABILITY:

Available for commercial and industrial service requiring installed transformer capacity of 50 KVA or less, for all uses within the utility's service area, subject to the established rules and regulations. Customer's peak must be less than 50kW for at least 11 months during the previous 12 continuous months. Should the customer's demand exceed this 50kW requirement for two months in a continuous 12-month period, the service will be transferred to the Large Power Service rate. The Cooperative reserves the right to install metering equipment to determine if this provision applies.

TYPE OF SERVICE:

Single-phase and three-phase at secondary voltages. Motors having a rated capacity in excess of ten horsepower must be three-phase.

MONTHLY RATE:

Customer Charge – All Customers Energy Charge – All kWh \$ 42.50 11.950¢ / kWh

TAX ADJUSTMENT CLAUSE:

Billings under this schedule may be increased by an amount equal to the sum of the applicable 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.

MINIMUM MONTHLY CHARGE:

The monthly minimum charge under the above rate where 10 KVA or less of transformer capacity is required shall be the customer charge plus applicable taxes. For consumers requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased by \$1.50 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the monthly minimum charge may be increased to assure adequate compensation for the added facilities. The minimum charge as computed above does not include any charges for kWh used.

FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE:

The utility shall, if purchased power is increased or decreased above or below the base purchase power cost of \$0.090174/kWh sold, flow through to the users such increases or decreases.

COLUMBUS ELECTRIC COOPERATIVE, INC.

ARIZONA ELECTRIC CONSUMER RATE SCHEDULE B SMALL COMMERCIAL SERVICE

Page 2 of 2

TEMPORARY SERVICE:

The utility shall be supplied in accordance with the foregoing rate except that the consumer shall pay in addition to the foregoing charge the total cost of connecting and disconnecting service less the value of materials returned to stock. A deposit, in advance, may be required of the full amount of the estimated bill for service, including the cost of connection and disconnection.

TERMS OF PAYMENT:

The monthly bill rendered in accordance with the rates set forth herein is due and payable within twenty (20) days from the date on the bill. A ten percent (10%) charge shall be added to any account balance which is outstanding for more than sixty (60) days from the date of the bill.

TEMPORARY PURCHASED POWER COST ADJUSTMENT:

The Cooperative shall add to the consumer's net bill as computed above, a surcharge to amortize the one month unrecovered fuel and purchased power adjustment costs which the utility will realize upon the Commission's acceptance of the Cooperative's new base cost of purchased power. The amount of the surcharge per kWh and the duration to the application thereof shall be as directed by the Commission.

ACCESSIBILITY:

Equipment used to provide electric service must be physically accessible.

LIMITATION OF THE RATE:

Electric service under this schedule shall not be resold or shared with others.

INTERRUPTION OF SERVICE

The company will use reasonable diligence to furnish a regular and uninterrupted supply of energy. However, interruptions or partial interruptions may occur or service may be curtailed, become irregular, or fail as a result of circumstances beyond the control of the Cooperative. In any such case the Cooperative will not be liable for damages. The Cooperative cannot guarantee 100 percent reliability.