



AUG 30 2022

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Section No. V
Sheet No. V-31
Revision No. 1

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RULES, REGULATIONS AND CONDITIONS OF SERVICE

30. DEDUCT AND ANCILLARY METERS

PURPOSE: Subject to the execution of a Special Metering Agreement between Company and all parties involved, Company may allow the installation of Deduct Meters or Ancillary Meters after considering the following:

- Characteristics of the load being served
- Cost to construct new facilities to serve the Customer from Company facilities or from Customer owned facilities.
- Expectation of neighboring Customer load additions.
- Future plans for expansion by Company or either Customer involved.

CONDITIONS OF SERVICE: If approved by SPS and agreed to by the involved customers, a Deduct Meter or Ancillary Meter is used when a Customer requests electric service in an area where Company supplies electric service to another Customer ("Customer A") at a voltage greater than 2.4 kV at Customer A's Point of Delivery. If Customer A's facilities are in close proximity to the location of the Customer that is requesting service ("Customer B"), it can be more cost effective for Customer B's service to be provided by facilities owned by Customer A rather than Company constructing new facilities to serve Customer B's load.

When this situation occurs, Customer B's electric service is provided through Customer A's facilities and SPS will install a meter at Customer B's location.

Customer A and Customer B shall comply with all applicable safety and operational standards and shall implement all necessary maintenance of equipment for safe and reliable operations related to the service under this tariff. As long as Customer B is receiving service through the use of Customer A's facilities, Company is not liable to Customer B for any interruptions of service, losses or damages that Customer B may incur. Company shall not be held responsible to perform any maintenance on Customer A's or Customer B's facilities.

A Deduct or Ancillary meter may not be used unless and until a special metering agreement has been executed in writing by SPS, Customer A, and Customer B. Customer A or Customer B may refuse to enter into such an agreement at the sole discretion of either Customer. A special metering agreement shall continue in effect until terminated, which termination may be provided for by Customer A, Customer B or Company giving written notice of such termination to the other two parties at least ninety (90) days in advance of the date of termination.

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SINGLE PHASE CUSTOMERS: When Customer B requests single phase service from facilities owned by Customer A, Company will estimate the cost to directly serve this Customer and calculate the Contribution in Aid to Construction (CIAC) in accordance with its standard line extension policy. If Company determines the CIAC for direct service would be equal to or greater than \$23,500 and Customer A and Customer B have notified SPS that a deduct or ancillary meter setup is preferable to a separate line extension to Customer B, SPS may allow Customer B to receive service from Customer A's facilities and will meter Customer B utilizing either a Deduct or Ancillary Meter pursuant to a signed Special Metering Agreement between Company, Customer A and Customer B. If the load represented by Customer B is operationally directly related to the load represented by Customer A, SPS may waive the required CIAC threshold

THREE PHASE CUSTOMERS: When Customer B requests three phase service from facilities owned by Customer A, Company will estimate the cost to directly serve this Customer and calculate the CIAC in accordance with its standard line extension policy. If Company determines the CIAC for direct service to be equal to or greater than \$84,000 and Customer A and Customer B have notified SPS that a deduct or ancillary meter setup is preferable to a separate line extension to Customer B, SPS may allow Customer B to receive service from Customer A and will meter Customer B utilizing a Deduct or Ancillary Meter pursuant to a signed Special Metering Agreement between Company, Customer A and Customer B. If the load represented by Customer B is operationally directly related to the load represented by Customer A, SPS may waive the required CIAC threshold

METERING AND BILLING SPECIFICATIONS: If the Company has installed a Primary Meter at Customer A's Point of Delivery, the Company will install a Deduct Meter at Customer B's Point of Service to measure Customer B's energy usage and demand. Company agrees to subtract Customer B's energy usage as recorded on Customer B's Deduct Meter from the energy usage that is recorded on Customer A's Primary Meter.

If Company has not installed a Primary Meter at Customer A's Point of Delivery and is instead metering Customer A through a secondary meter or secondary meters, Company will install an Ancillary Meter to record Customer B's energy usage and demand. Without a meter installed at Customer A's Point of Delivery, Customer A's and Customer B's energy usage and demand will be metered separately at all times as there will be no electrical connection between Customer A's secondary meter(s) and Customer B's electrical load.

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CHANGE OF OWNERSHIP: Change of Ownership shall be governed by the contract between Company and involved parties.

Effective Date: August 30, 2022

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