

III. PAYMENT FOR SERVICE

Municipality shall pay Company monthly for all electric energy supplied hereunder an amount determined for each month in accordance with the provisions of Rate MER hereto attached as Exhibit "A" and made a part hereof the same as if incorporated herein.

Should any change in the rate provided for in Rate MER be lawfully ordered by the Public Service Commission of Indiana, payments for service by Municipality to Company as provided in said Rate MER shall thereafter be made upon the basis of such new rate as changed and approved by the Public Service Commission of Indiana.

IV. TERMS AND CONDITIONS OF SERVICE

1. The adjustments provided for in Rate MER under the captions "Metering", "Power Factor", "Transformation Equipment" and "Fuel Clause" are at all times to be determined in accordance with the conditions from time to time affecting the supplying of electric energy by Company to Municipality hereunder. The original adjustments to be applied shall be as follows:

(a) Electric energy supplied hereunder will be metered at a voltage of 2400/4160 volts, and accordingly the maximum load measurements and the energy measurements will be decreased by one per cent (1%) and one and one-half per cent (1½%), respectively.

(b) The monthly maximum load will be adjusted for monthly lagging power factor (to convert to Billing Maximum Load) in accordance with the formula set forth under the caption "Power Factor" in Rate MER.

(c) Municipality will not install and maintain, at its own expense, the complete substation structure and equipment (including switches and protective equipment, transformers and other apparatus) any or all of which is necessary to transform energy delivered by Company at 15,000 volts or more to the voltage required by Municipality for distribution purposes, and accordingly Municipality will not receive a credit as provided under the caption "Transformation Equipment" in Rate MER.

(d) Fuel Clause adjustment will be made in accordance with the provisions of the Fuel Clause set forth in Rate MER.

If, after the signing of this agreement, a change occurs in the conditions affecting the supplying of electric service hereunder, and the adjustments (a) and (c) hereinbefore set out are no longer applicable, Company shall give Municipality a written notice of new adjustments which are to be given effect in calculating the charges for service hereunder after the date of such notice. Any such notice given by Company shall modify, amend and supersede this agreement to the extent that the new adjustments vary the adjustments originally established in this agreement or in any amendment thereto.

2. If Municipality makes default in the payment when due of any bill hereunder, or violates any of the other terms or conditions of this agreement, then upon such default or violation Company shall have the right, after due notice to Municipality, to discontinue service to Municipality hereunder. A written notice of the intention to discontinue the supply of electric energy at the expiration of twenty (20) days from the time of notice unless within such twenty days Municipality shall have made good such default or violation, shall be considered such due notice. Discontinuance of the supply of electric energy for any such cause shall, at the option of the Company, have the effect of terminating this agreement. Whenever this agreement shall be terminated for any cause whatsoever, Company shall have the right to remove its meters and other property.

3. Each meter used in determining the demand for or amount of electric energy supplied hereunder shall, by comparison with accurate standards, be tested and calibrated by Company at intervals of not to exceed one year. If as a result of any such test a meter shall be found incorrect or inaccurate, it shall be restored to an accurate condition or a new meter shall be substituted.

The results of all such tests and calibrations shall be open to examination by Municipality. Any meter tested and found to be not more than 2% above or below normal shall be considered to be correct and accurate. If as a result of any test, any meter is found to register in excess of 2% either above or below normal, then the readings of such meter previously taken for billing purposes shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend back beyond thirty days previous to the day on which inaccuracy is discovered by such test, and in case during each previous thirty days a prior test of such meter shall have been made and such meter shall have then been found to be correct or registering within 2% of normal, or in case after such prior test such meter shall have been made to register correctly, then the correction of the readings of such meter shall not extend back beyond the date of such prior test.

In the event Municipality shall at any time believe that any meter registers incorrectly, Municipality shall have the right to request that a test be made of such meter. In such case, Municipality shall notify Company in writing of the desire for a test, and thereupon such meter shall be tested and calibrated by Company and if found inaccurate shall be restored to an accurate condition or a new meter shall be substituted; and such procedure and limitations with reference to adjustment as are provided for in the preceding paragraph hereof shall likewise govern in case of any test made upon such written request of Municipality. If any test made at Municipality's request discloses that the meter tested is registering correctly, or within 2% of normal, Municipality shall bear the expense of such test. The expense of all other tests shall be borne by Company.

During any time that any meter fails to function, it shall be assumed that the maximum load registered, or electric energy delivered, as the case may be, was the same during such period as the average for an equivalent period of like operation during which a properly adjusted meter was in service and functioning, and the monthly readings shall be adjusted accordingly.