

Schedule of Rules and Regulations

1. **Application for Service.** Each prospective Member desiring electric service shall complete an Application for Membership and Electric Service, pay the membership fee, together with any service security deposit, service connection fee, administration fees or facilities extension deposit or charge, contribution-in-aid of construction, or executed supplemental contract, or any combination thereof, that may be required by the Cooperative, before service is supplied by the Cooperative. In the application, applicant shall agree to be bound by the Cooperative's Articles of Incorporation, Bylaws, and all rules, regulations, policies, rate schedules, rate classifications, contracts, etc. established pursuant thereto; including, but not limited to, grants of easements and rights of way. Service will not be supplied by the Cooperative to any applicant that: (a) is indebted to the Cooperative or (b) at the time of application, is a member of the household of a Member, or former Member, who is indebted to the Cooperative or (c) was a member of the household of a former Member when said indebtedness was incurred, except upon payment of such indebtedness.

2. **Deposits.** A service security deposit shall be collected in advance of connecting a service in accordance with Cooperative's deposit policy, Policy Bulletin 8-8:

- a. **Residential Accounts:** The amount of a residential deposit will be based on the customer's credit risk as determined by reputable credit reporting agency. The standard residential deposit amount will not exceed twice the highest monthly bill of an average residential customer. In addition to the standard deposit, additional deposits will be required for existing Members that become a payment risk.
- b. **General Power Accounts.** A deposit or suitable guarantee approximately equal to twice the highest estimated monthly bill shall be collected from all new general power customers and general power customers reestablishing service.

The deposit balance including earned interest is subject to review by Member and Cooperative, upon request. Additional required deposits not collected at the time of application may be billed to the consumer. Interest at the rate paid for passbook savings account by the Cooperative's primary bank, shall accrue on all deposits and will be credited annually or paid at the time the deposit is refunded. Cooperative may at its option return residential deposit to Member after two consecutive years with a good payment history. Upon termination of service, deposit may be applied by Cooperative against unpaid bills of Member, and if any balance remains after such application is made, said balance shall be refunded to Member. Members that have enrolled in the pre-pay program will not be required to provide a deposit.

3. **Point of Delivery.** The point of delivery is the point, as designated by Cooperative, on Member's premises where current is to be delivered to building or premises. All wiring and equipment beyond this point of delivery shall be provided and maintained by Member at no expense to Cooperative.

4. **Member's Wiring--Standards.** All wiring of Member must conform to Cooperative's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code (NESC) and the National Electrical Code (NEC).

5. **Inspections.** Cooperative shall have the right, but shall not be obligated, to inspect any installation before electricity is introduced or at any later time, and reserves the right to reject any wiring or appliances not in accordance with Cooperatives standards; but such inspection or failure to inspect shall not render Cooperative liable or responsible for any loss or damage

resulting from defects in the installation, wiring, or appliances, or from violation of Cooperative's rules, or from accidents which may occur upon Members premises.

6. **Line Extensions to New Services.** Members requiring line extensions for new service may be required by Cooperative to pay a Contribution-in-Aid of Construction charge and/or sign a contract to provide reasonable assurance of adequate revenue to recover the Cooperative's investment.

7. **Three Phase Service.** Members desiring three phase service shall provide a written request stating the service location, type of voltage desired and the connected load, shall sign a five (5) year contract specifying terms of the power supply arrangement and may be required to pay a Contribution-in-Aid of construction charge to provide reasonable assurance of adequate revenue to recover the Cooperative's investment.

8. **Underground Service Lines.** Cooperative may, upon written request by Member, provide underground facilities. The cost of underground facilities shall be borne by the Member. Specifications and terms of such construction will be furnished by the Cooperative on request.

9. **Member's Responsibility for Cooperative's Property.** All meters, service connections, and other equipment furnished by Cooperative shall be, and remain, the property of Cooperative. Member shall provide a space for and exercise proper care to protect the property of Cooperative on its premises, and, in the event of loss or damage to Cooperative's property arising from neglect of Member to care for same, the cost of the necessary repairs or replacements shall be paid by Member.

10. **Right of Access.** Cooperative's identified employees shall have access to Member's premises at all reasonable times for the purpose of maintaining the Cooperative's right of way, reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to Cooperative. The Cooperative may, at its discretion, utilize or upgrade existing facilities on Member's property for the additional purpose of serving other Members.

12 **Utility Easement.**

- a. New line extensions: Member shall sign a Utility Easement specifying terms of right of way clearing, cutting and future maintenance of primary distribution lines and shall include, but shall not be limited to the terms in paragraph 11.b below:
- b. Existing Cooperative's facilities not covered by signed easement: Cooperative shall have the right to enter Member's premises to remove from the right of way strip, trees or other obstructions that may endanger the proper maintenance and operation of said equipment; to trim or remove dead, diseased, weak or leaning trees or limbs outside of the right of way strip that, in the opinion of Cooperative, might interfere with or fall upon the Cooperative's facilities. Such right of way strip for overhead primary distribution facilities is a width of twenty (20) feet as measured on each side of a centerline determined by the centerline of Cooperative's facilities. Such right of way strip for underground primary distribution facilities is a width of ten (10) feet as measured on each side of a centerline determined by the centerline of Cooperative's facilities.
- c. New easements to serve other Members: Members agree to grant to the Cooperative, as a condition of Membership, an easement or right-of-way over, on and under all lands owned, leased or mortgaged by the Member on such reasonable terms and conditions as the Cooperative shall require for furnishing of electric service to any other Cooperative's Members and for the construction, operation, maintenance and

relocation of electric facilities. Member shall execute and deliver to the Cooperative such specific written grants of easements as may be required by the Cooperative.

12. **Billing**. Bills will be rendered monthly and shall be paid by the due date specified on the bill. The due date shall be a fixed day of the month and shall be greater than fifteen (15) days from the date the bill is mailed/electronically transmitted by the Cooperative. Failure to receive bill will not release Member from payment obligation. Should bills not be paid by due date Cooperative may at any time thereafter, upon five (5) days written notice or electronic transmittal of written notice to Member, discontinue any or all services. Bills paid after the due date specified on bill shall be subject to an additional charge of 5%. Should the due date of bill fall on a Saturday, Sunday or Cooperative's observed holiday, the next business day following the due date will be held as a day of grace for delivery of payment. Prepay Members will sign up to receive daily text and/or email notices as they desire and receive no further notices before services are disconnected.

13. **Discontinuance of Service by Cooperative.**

- a. The Cooperative may discontinue service when: a Member requests it; a delinquent bill is unpaid after proper notice; a hazardous condition exists on the Member's premises; the Member fails to provide credit/ID information or security deposit, Member has a disputed or unpaid separate account for electric service with the Cooperative; a Member has obtained service in another name or location to avoid previous incurred debts to the Cooperative; a Member refuses to grant the Cooperative proper access to Cooperative equipment and right-of-way; a Member violates a Cooperative rule or regulation; a Member causes or permits unauthorized use or diversion of electricity on his property or there is the appearance of diversion of electricity on the Member's premises. The discontinuance of service by the Cooperative for any cause as stated in this rule does not release a Member from his obligations to the Cooperative for the payment of bills.
- b. **Delinquent Bill Notice** - A separate written notice will be mailed out approximately three days after the due date informing the customer of the pending electric service disconnection and the available rights and remedies to dispute the bill.
- c. **Bill Disputes** – Upon request, a Member will be granted a hearing by appearing in person at the local Cooperative office PRIOR to the date of the proposed discontinuance of service.
- d. **Disconnection during times of extreme weather** - The cooperative evaluates weather conditions daily, and in the event the forecasted high temperature is expected to be below 32° (F) or is expected to exceed 100° (F) on that day, the Cooperative will postpone the disconnection of delinquent non-prepay residential customers in accordance with Cooperative's extreme weather policy, Policy Bulletin 8-11.
- e. **Medical Necessity** – In the event that disconnection of service might pose immediate danger to the Member or other persons in household due to a serious medical condition that depends on electric power to sustain life, disconnection of service may be postponed to allow the Member time to make payment or seek alternative shelter. A medical necessity form shall be certified by a medical doctor and approved by the Cooperative in accordance with Cooperative Policy Bulletin No. 8-12: Medical Necessity, prior to the scheduled disconnection.

14. **Connection, Reconnection, and Disconnection Charges.** Cooperative may establish and collect standard charges to cover the reasonable average cost, including administration, of connecting or reconnecting service, or disconnecting service as provided above. Higher charges may be established and collected when connections and reconnections are performed after normal office hours, or when special circumstances warrant.

15. **Termination of Contract by Member.** Members who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days written notice to that effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve Member from any minimum or guaranteed payment under any contract or rate.

16. **Service Charges for Temporary Service.** Members requiring electric service on a temporary basis may be required by Cooperative to pay all costs for connection and disconnection incidental to the supplying and removing of service. This rule applies to circuses, carnivals, fairs, temporary construction, and the like.

17. **Interruption of Service.** Cooperative will use reasonable diligence in supplying current, but shall not be liable for breach of contract in the event of, or for loss, injury, or damage to persons or property resulting from interruptions in service, excessive or inadequate voltage, single-phasing, or otherwise unsatisfactory service, whether or not caused by negligence.

18. **Shortage of Electricity.** In the event of an emergency or other condition causing a shortage in the amount of electricity for Cooperative to meet the demand on its system, Cooperative may, by an allocation method deemed equitable by Cooperative, fix the amount of electricity to be made available for use by Member and/or may otherwise restrict the time during which Member may make use of electricity and the uses which Member may make of electricity. If such actions become necessary, Member may request a variance because of unusual circumstances including matters adversely affecting the public health, safety and welfare. If Member fails to comply with such allocation or restriction, Cooperative may take such remedial actions, as it deems appropriate under the circumstances including temporarily disconnecting electric service and charging additional amounts because of the excess use of electricity. The provisions of the Section entitled Interruption of Service of this Schedule of Rules and Regulations are applicable to any such allocation or restriction.

19. **Voltage Fluctuations Caused by Member.** Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to Cooperative's system. Cooperative may require Member, at his own expense, to install suitable apparatus, which will reasonably limit such fluctuations.

20. **Additional Load.** The service connection, transformers, meters and equipment supplied by Cooperative for each Member have definite capacity and no addition to the equipment or load connected thereto will be allowed except by consent of Cooperative. Failure to give notice of additions or changes in load, and to obtain Cooperative's consent for same, shall render Member liable for any damage to any of Cooperative's lines or equipment caused by the additional or changed installation.

21. **Standby and Resale Service.** All purchased electric service (other than emergency or standby service) used on the premises of Member shall be supplied exclusively by Cooperative, and Member shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.

22. **Notice of Trouble.** Member shall notify Cooperative immediately should the service be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of electricity. Such notices, if verbal, should be confirmed in writing.

23. **Non-Standard or Modified Service** Member shall pay the cost of any special installation necessary to meet his peculiar requirements for service at other than Cooperative standard voltages, or for the supply of closer voltage regulation than required by Cooperative standard practice.

24. **Billing Errors**. When a billing error occurs, whether through Cooperative's negligence or otherwise, neither Member nor Cooperative is released from its' obligation to reimburse the other party for underbilled or overbilled amounts.

25. **TVA Complaint Resolution Process (CRP)** – TVA provides regulatory oversight of electric rates and service practices for the Cooperative. If the customer has a service practice dispute and is unable to resolve the issue with the Cooperative, the customer may initiate a complaint through the TVA CRP. Customers will be informed about the availability of the TVA CRP at any time upon request, and through information provided on the Cooperative website – www.mountain.coop.

26. **Relocation of Cooperative's Facilities**. Cooperative shall relocate its lines when such relocation is necessary, practical and justified. Cooperative shall be the sole judge of circumstances concerning necessity, practicality and justification. Members requesting relocation of Cooperative's facilities may be required by Cooperative to pay all cost for such relocation. When relocation of Cooperative's facilities is necessary to correct a violation of the NESC or NEC caused by change in Member's facilities, the cost of such relocation shall be borne by Member.

27. **Billing Adjusted to Standard Periods**. The demand charges and the blocks in the energy charges set forth in the rate schedules are based on billing periods of approximately one month. In the case of the first billing of new accounts (temporary service, and other seasonal Members excepted) and final billings of all accounts (temporary service excepted) where the period covered by the billing involves fractions of a month, the demand charges and the blocks of the energy charge will be adjusted to a basis proportionate with the period of time during which service is extended. For seasonal Members, the adjustment will apply to the first and final billing of the seasonal period in use.

28. **Energy efficiency**. The Cooperative shall participate in various energy efficiency and conservation programs for the purpose of providing educational information and promoting energy improvements and practices that result in energy savings for its Members.

29. **Customer's Energy Use Data**. Upon request, using procedures established by the Cooperative, the Cooperative will make available customer's energy consumption data for the prior twelve (12) month period.

30. **Scope**. This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from Cooperative, and applies to all service received from Cooperative, whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this schedule, together with a copy of Cooperative's Schedule of Rates and Charges, shall be provided to customers upon application for service, and shall be kept open for inspection at the offices of Cooperative or may be found on the Cooperative website – www.mountain.coop. Furthermore, local rate actions initiated by Mountain Electric Cooperative, and information regarding rates, service practice policies, and guidelines and print media will also be available in the Cooperative's offices and/or via the Cooperative's website.

31. **Revisions.** These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time, without notice. Such changes, when effective, shall have the same force as the present Rules and Regulations.

32. **Conflict.** In case of conflict between any provision of any rate schedule and the Schedule of Rules and Regulations, the rate schedule shall apply.