

CUMBERLAND ELECTRIC MEMBERSHIP CORPORATION

SCHEDULE OF RULES AND REGULATIONS

(January 1983)

(Amended March 1, 1985)

(Revised January 2017, Effective February 2017)

1. Application for Service. Each prospective Member desiring electric service may be required to sign Distributor's standard form or application for service or contract before service is supplied by the Distributor.
2. Deposit. A security deposit, or other form of assurance, will be required of all Members before electric service is supplied. Deposit amounts and options are outlined in Policy No. 8-6 and Operating Bulletin No. 28. Distributor may at its option return deposit to Residential Member after three years. Accounts, other than residential, will be required to provide security either by Cash, Surety Bond or Irrevocable Letter of Credit. Deposits on accounts other than residential, will be held until the account is closed. Upon termination of service, deposit may be applied by Distributor against unpaid bills of Member, and if any balance remains after such application is made, said balance shall be refunded to Member. Distributor will pay interest at a rate based upon the average passbook savings rate, reviewed and approved annually by the Board of Directors, on all deposits required and retained longer than twelve (12) months.
3. Information to Consumers. Distributor will make available to Members, upon application for service and at any time upon request, information on current rates and service policies applicable to each classification. Upon request the Distributor will provide the Member a statement of his/her most recent twelve (12) months billing history at no charge. Members shall be notified of any base rate change at least thirty (30) days prior to the implementation of such change.
4. Point of Delivery. The point of delivery is the point, as designated by Distributor, 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 Distributor.
5. Member's Wiring Standards. All wiring of Member must conform to Distributor's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electrical Code.
6. Inspections. Distributor shall have the right, but shall not be obligated, to inspect any installation before electricity is introduced or at any later time, and reserve the right to reject any wiring or appliances not in accordance with Distributor's standards; but such inspection or failure to inspect or reject shall not render Distributor liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of Distributor's rules, or from accidents which may occur upon Member's premises. Inspections of electrical wiring by a Deputy State Electrical Inspector will be required.

7. Underground Service Lines. Members desiring underground service lines from Distributor's overhead system will be served in accordance with Policy Bulletin No. 10-7.
8. Member's Responsibility for Distributor's Property. All meters, service connections, and other equipment furnished by Distributor shall be, and remain, the property of Distributor. Member shall provide a space for and exercise proper care to protect the property of Distributor on its premises, and, in the event of loss or damage to Distributor's property arising from neglect of Member to care for same, the cost of the necessary repairs or replacements shall be paid by Member.
9. Right of Access. Distributor's identified employees shall have access to Member's premises at all reasonable times for the purpose of reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to Distributor.
10. Billing. Bills will be rendered monthly and shall be due at least fifteen (15) days from date of bill at the office of Distributor or at other locations designated by Distributor. Failure to receive bill will not release Member from payment obligation. Bills paid on or before the due date will be payable at the net rate, but thereafter the gross rate of an additional five percent (5%) shall apply. Payments are recognized when they are received by the Distributor or the Distributor's designated locations and not by postmark. Should the due date of bill fall on a Saturday, Sunday or holiday, the business day next following the due date will be held as a day of grace for delivery of payment. Should bills not be paid by due date specified on the bill, Distributor may thereafter, upon no less than five (5) days written notice to Member, discontinue service.
11. TVA Complaint Resolution Process. In the case of billing disputes or other service issues, the Member is expected to resolve the dispute by notifying and working with the Distributor. If the dispute is not resolved, the Distributor will provide the Member with information regarding TVA's Complaint Resolution Process. Members will be informed about the TVA Complaint Resolution Process upon application for service, at any time upon request, and through information provided on the Distributor's website or other technological means of communication, if available.
12. Discontinuance of Service by Distributor. Distributor may refuse to connect or may discontinue service for the violation of any of its Rules and Regulations, or for violation of any of the provisions of the Schedule of Rates and Charges, or of the application of Member or contract with Member. Distributor may discontinue service to Member for the theft of current or the appearance of current theft devices on the premises of Member. Distributor may discontinue service due to non-payment of bills after reasonable prior written notice has been provided. The discontinuance of service by Distributor for any causes as stated in this rule does not release Member from his obligation to Distributor for the payment of minimum bills as specified in application of Member or contract with Member.
13. Connection, Reconnection, and Disconnection Charges. Distributor 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.

14. Termination of Contract by Member. Members who have fulfilled their contract terms and wish to discontinue service must give at least three (3) months 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.
15. Service Charges for Temporary Service. Members requiring electric service on a temporary basis may be required by Distributor 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.
16. Interruption of Service. Distributor 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.
17. Shortage of Electricity. In the event of an emergency or other condition causing a shortage in the amount of electricity for Distributor to meet the demand on its system, Distributor may, by an allocation method deemed equitable by Distributor, 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, Distributor 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.
18. Voltage Fluctuations Caused by Member. Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to Distributor's system. Distributor may require Member, at his own expense, to install suitable apparatus which will reasonably limit such fluctuations.
19. Additional Load. The service connection, transformers, meters, and equipment supplied by Distributor for each Member have definite capacity, and no addition to the equipment or load connection thereto will be allowed except by consent of Distributor. Failure to give notice of additions or changes in load, and to obtain Distributor's consent for same, shall render Member liable for any damage to any of Distributor's lines or equipment caused by the additional or changed installation.

20. 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 Distributor, and Member shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.
21. Notice of Trouble. Member shall notify Distributor 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.
22. Non-Standard Service. Member shall pay the cost of any special installation necessary to meet his peculiar requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.
23. Meter Tests. Distributor, at its own expense will make periodical tests and inspections of its meters, in accordance with Policy No. 8-10, in order to maintain a high standard of accuracy. Distributor will make additional tests or inspections of its meters at the request of Member. If tests made a Member's request show that the meter is accurate within two percent (2%), fast or slow, no adjustment will be made in Member's bill, and Distributor's standard testing charge will be paid by Member. If the test shows meter to be in excess of two percent (2%), fast or slow, an adjustment shall be made in Member's bill over a period of not more than three (3) years prior to date of such test, and cost of making test shall be borne by Distributor. Should the Distributor be at the Member's premises for any service, such as billing investigation or energy audit, Distributor has right to perform a meter accuracy test at no cost to the Member.
24. Relocation of Outdoor Lighting Facilities. Distributor shall, at the request of Member, relocate or change existing Distributor-owned equipment. Member shall reimburse Distributor for such changes at actual cost including appropriate overheads.
25. Billing Adjusted to Standard Periods. The 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 and final billings of all accounts where the period covered by the billing involves fractions of a month, the Member charges and non-metered lighting charges will be adjusted to a basis proportionate with the period of time during which service is extended.
26. Efficiency and Conservation Programs. Distributor maintains a strong emphasis on assisting its Members with energy efficiency and conservation. Residential Members may utilize the Distributor's conservation programs, such as a energy survey of their home and assistance in financing the installation of energy-saving materials and equipment. Financing includes low-interest loans to Members of the Distributor and may be paid back in equal payments added to Member's monthly energy bills.

Through these programs, the Distributor encourages the efficient utilization of electric energy, offering a variety of specific recommendations as to the materials and equipment that would

provide effective weatherization and thereby yield the greatest energy savings for the Member. Members are also furnished a list of private contractors in there are who install various types of energy-saving materials and equipment and instructional material concerning the self-installation of such materials and equipment.

Promotion of the Distributor's energy and conservation programs is accomplished through brochures and information mailed with Member bills, Distributor's website, information released to are media, articles in a statewide publication mailed to all Members and presentations to schools and other community groups by Distributor personnel.

Distributor currently offers energy surveys, financing for the installation of insulation and other energy-saving materials, the installation of electric heat pumps, and the installation of electric heat pump and water heaters.

27. Scope. This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from Distributor, and applies to all service received from Distributor, whether the service is upon contract, agreement, signed application or otherwise. A copy of this Schedule, together with a copy of Distributor's Schedule of Rates and Charges, shall be kept open to inspection at the offices of Distributor.
28. 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.
29. Conflict. In case of conflict between any provision of any rate schedule and the Schedule of Rules and Regulations, the rate schedule shall apply.

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