

**THE MIDDLE TENNESSEE ELECTRIC
MEMBERSHIP CORPORATION (MTEMC)**

**SCHEDULE OF
RULES AND REGULATIONS
*Revised 10-30-15***

Applicable to all Classes of Service

- 1. ESTABLISHMENT OF SERVICE:** Each prospective member desiring electric service shall meet MTEMC's requirements for establishment of service or contract before service is supplied by MTEMC.
- 2. DEPOSIT:** A deposit or suitable guarantee may be required of any member before electric service is supplied. The deposit amount for residential members will be based on credit risk as determined by a credit evaluation from Online Utility Exchange and will not exceed twice the highest estimated monthly bill for the residential rate classification. Residential members will pay a deposit of \$300.00, unless evaluated as a low or moderate credit risk. Members with a low credit risk will pay no deposit, and members with a moderate credit risk will pay \$150.00. At its sole discretion, MTEMC may allow installment payments for residential deposits. The deposit amount for general power members will not exceed twice the highest estimated monthly bill based on prior billing history. Where a billing history does not exist, the deposit will be estimated based on projected demand and energy loading for the member. Other guarantees deemed acceptable by MTEMC may be accepted in lieu of a deposit at MTEMC's sole discretion. MTEMC shall have the right to set-off deposits against a member's account(s). Upon termination of service, MTEMC may apply deposit against unpaid bills of member, and if any balance remains after such application is made, said balance shall be refunded to the member. For residential members, MTEMC may also refund or apply deposit against unpaid bills after the member has made 24 consecutive, on-time monthly payments. Upon written request by the member, or at the discretion of MTEMC, the deposit requirement may be re-evaluated. If member requests any such deposit re-evaluation more than annually, the member may be billed for actual administrative or processing costs. Deposits held more than six (6) months shall earn interest based on local prevailing interest rates for passbook savings accounts, with said interest credited to the member's account annually.
- 3. POINT OF DELIVERY:** The point of delivery is the point, as designated by MTEMC, 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 MTEMC. Certain wiring and equipment beyond the point of delivery, as may be agreed upon between the member and MTEMC, could be provided and maintained by MTEMC, with the member paying a monthly investment charge determined by MTEMC.
- 4. MEMBER'S WIRING – STANDARDS:** All wiring of member must conform to MTEMC's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electrical Code.
- 5. INSPECTIONS:** MTEMC 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 MTEMC's standards; but such inspection or failure to inspect or reject shall not render MTEMC liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of MTEMC's rules, or from accidents which may occur upon member's premises.
- 6. CONTRIBUTIONS BY MEMBER OR DEVELOPER:** MTEMC has policies governing its investments in new distribution facilities. In many instances the policies will require members or developers to make a contribution-in-aid of construction.
- 7. MEMBER'S RESPONSIBILITY FOR MTEMC'S PROPERTY:** All meters, service connections, and other equipment furnished by MTEMC shall be, and remain, the property of MTEMC. Member shall provide a space for and exercise proper care to protect the property of MTEMC on its premises, and, in the event of loss or damage to MTEMC's property arising from neglect of member to care for same, the cost of the necessary repairs or replacements shall be paid by member.
- 8. RIGHT OF ACCESS:** MTEMC'S identified employees or agents 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 MTEMC.

9. BILLING: Bills will be rendered monthly and shall be paid within fifteen (15) days from the date the bill is mailed or electronically transmitted by MTEMC. Bills paid after the due date stated on said bill shall be assessed a late payment charge not to exceed 5%, as indicated on each bill. Should the due date fall on a non-business day, the member will be allowed a grace period until the next business day for delivery of payment. Failure to receive bill will not release member from payment obligation. Should bills not be paid by the due date specified on the bill, service may be discontinued as set out in the "Termination of Service" section herein.

10. TERMINATION OF SERVICE: MTEMC may refuse to connect or may discontinue service for the violation of any of its Bylaws or Rules and Regulations, or for violation of any of the provisions of the MTEMC Rate Schedule or member's contract with MTEMC. MTEMC may discontinue service to member for the theft of current or the appearance of current theft devices on the premises of member, for safety reasons or to be compliant with any state, city, or county regulations that require disconnection for safety reasons. The termination of service by MTEMC for any causes as stated does not release member from his obligation to MTEMC for any amounts due to MTEMC, including the payment of minimum bills as specified in the member's contract with MTEMC.

If payment is not received by the due date on the bill, MTEMC may disconnect service three days after providing a notice by phone to member advising that service is scheduled for disconnection and providing a contact number for available rights and remedies to dispute the bill. It is the responsibility of the member to provide MTEMC with a viable and pertinent telephone number or contact information authorized to receive such notifications for as long as member receives service. Failure to do so is the responsibility of the member, not MTEMC. MTEMC will provide the opportunity for members to update their telephone numbers on our website and on billing notifications.

MTEMC will postpone disconnection of service for non-payment to residential members scheduled for disconnection in the case of hot or cold weather extremes; National Weather Service forecasted high for Nashville of 32 (degrees Fahrenheit) or lower during the day and/or below 20 during the night or a high of 95 or above during the day. Where disconnection is postponed due to the aforementioned weather extremes, the postponement will not extend beyond the extreme weather condition.

With an approved MTEMC Life Support Program – Medical Necessity Form, disconnection of service will be postponed for 30 days from the original scheduled disconnection date to allow member time to make payment or alternative shelter arrangements. The Life Support Program – Medical Necessity Form must be completed by a medical doctor or nurse practitioner licensed to practice in the state of Tennessee certifying that the disconnection of electric service would create a life-threatening medical situation for the member or other permanent resident of the member's household. It is the responsibility of the member to ensure the form has been approved by MTEMC.

11. RECONNECTION CHARGE: Whenever service has been discontinued by MTEMC as provided above, or a trip is made for the purpose of discontinuing service, a service charge may be collected by MTEMC before service is restored. If it is necessary to restore service after regular work hours, the emergency overtime work rate may be charged.

12. 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 MTEMC from any minimum or guaranteed payment under any contract or rate.

13. SERVICE CHARGES FOR TEMPORARY SERVICE: Members requiring electric service on a temporary basis may be required 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.

14. INTERRUPTION OF SERVICE: MTEMC 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.

15. VOLTAGE FLUCTUATIONS CAUSED BY MEMBER: Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to MTEMC's system. MTEMC may require member, at his own expense, to install suitable apparatus which will reasonably limit such fluctuations.

- 16. ADDITIONAL LOAD:** The service connection, transformers, meters, and equipment supplied by MTEMC for each member have definite capacity. Member shall obtain the consent of MTEMC prior to the addition of: i) any heated or cooled structure, and/or ii) any equipment or device that produces high-load usage, including but not limited to, welders, electric vehicle chargers, hot tubs/saunas, heated swimming pools or ponds. Failure to give notice of such additions or changes in load, and to obtain MTEMC's consent for same, shall render member liable for any damage to any of MTEMC's lines or equipment caused by the additional or changed installation.
- 17. 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 MTEMC, and member shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.
- 18. NOTICE OF TROUBLE:** Member shall notify MTEMC 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.
- 19. NON-STANDARD SERVICE:** Member shall pay the cost of any special installation necessary to meet his/her non-standard service requirements.
- 20. METER TESTS:** MTEMC will, at its own expense, make periodic tests and inspections of its meters in order to maintain a high standard of accuracy. MTEMC will make additional tests or inspections of its meters at the request of member. If tests made at member's request show the meter is accurate within two percent (2%), slow or fast, no adjustment will be made in member's bill and MTEMC's standard testing charge will be paid by member. In the case the test shows meter to be in excess of two percent (2%), fast or slow, the member's bill shall be adjusted back to the point the error can reasonably be determined to have occurred, but in no case more than thirty-six (36) months, and no meter test charge will be assessed.
- 21. INCORRECT MEMBER BILLING:** If MTEMC determines a member has been incorrectly billed for electric service, except as provided for meter tests (See Rule and Regulation No. 20), then such incorrect billing shall be adjusted for either overbilling or underbilling. After a determination of overbilling or underbilling for electric service has been made by MTEMC, an adjustment shall be made in the member's bill. For these purposes, the adjustment for overbilling or underbilling shall be for any known or unknown causes (with the exception of meter tests) which result in incorrect bills for electric service including but not limited to incorrect constants, failure of current and potential transformer equipment, failure of any other related equipment involved in measuring consumption of electricity, improperly installed metering equipment, improper billing procedures, and other causes which result in incorrect billings for electric service to the member. The period of adjustment for any underbilling or overbilling shall be based upon the period of time during which said underbilling or overbilling occurred subject only to the applicable period of limitations under State law.
- 22. MEMBER'S ENERGY USE DATA:** Upon request by the member, MTEMC will make available that member's energy consumption data for the prior 12 months' period. Except as required by law or court order, MTEMC will not provide to other parties any member's individually identifiable energy consumption data or other individually identifiable member data collected by MTEMC without the member's authorization, using authorization procedures established by MTEMC. Nothing in this paragraph limits Tennessee Valley Authority's rights to receive data reports as provided under its wholesale power contract with MTEMC.
- 23. RELOCATION OF FACILITIES:** MTEMC shall, at the request of member, relocate or change existing MTEMC-owned equipment provided MTEMC is not prevented from making the relocation. Member shall reimburse MTEMC for such changes at actual cost, including appropriate overheads.
- 24. SCOPE:** The Schedule of Rules and Regulations is a part of all contracts for receiving electric service from MTEMC, whether the service is based upon contract, agreement, or otherwise. A copy of this schedule, together with a copy of MTEMC's Rate Schedule, shall be kept open to inspection at the offices of MTEMC or found on our website at www.mtemc.com. Upon application for service, members are informed that rate information and service practice policies are maintained on our web site at www.mtemc.com. They are also informed about service practice policies. Furthermore, MTEMC will provide information regarding rates and any rate actions, service practice policies, and guidelines to members via the website www.mtemc.com, and information including brochures and print media will also be available in our offices. Such information will also be available at any time upon request by member.

- 25. 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.
- 26. CONNECTION CHARGES:** Fees will be charged for all new permanent locations and for previously served permanent meter locations. MTEMC may establish and collect standard charges to cover the reasonable average cost, including administration, of connecting service. Higher charges may be established and collected when connections are performed after normal office hours, or when special circumstances warrant.
- 27. CONFLICT:** In case of conflict between any provision of any Rate Schedule and the Schedule of Rules and Regulations, the Rate Schedule shall apply.
- 28. SHORTAGE OF ELECTRICITY:** In the event of an emergency or other condition causing a shortage in the amount of electricity for MTEMC to meet the demand on its system, MTEMC may, by an allocation method deemed equitable by MTEMC, 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, MTEMC 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. If the shortage of electricity is due to the power supplier not having enough electricity to supply the load of MTEMC or in the event of a widespread regional power shortage, then the Load Curtailment Plan of the power supplier shall be followed.
- 29. NON-MEMBERS:** This Schedule of Rules and Regulations shall apply with the same force and effect to non-member consumers of electric service as they apply to members.