

# CLINTON UTILITIES BOARD (CUB)

## CLINTON, TENNESSEE

### ELECTRIC DEPARTMENT - SCHEDULE OF RULES AND REGULATIONS

1. Application for Electric Service. Each prospective customer desiring electric service must make a request for service utilizing CUB's standard form of application for service, electronic form submittal or other means approved by CUB. Customers will be required to provide identification suitable to CUB for validation purposes and signature/electronic terms acceptance before service requests are considered. The receipt by CUB of a prospective customer's request for service shall not obligate CUB to render such service. Applicants for service shall be at least 18 years of age or a court-ordered emancipated minor and shall be legally capable of entering into a validly enforceable contract. If any applicant for service has a delinquent account or is liable for such an account according to State law at any address serviced by CUB, such delinquency shall be paid in full, or payment arrangements suitable to CUB shall be made, prior to any new service being made available by CUB.

2. Deposit. A deposit or suitable guarantee shall be required of any customer before electric service is supplied. Upon termination of electric service, such deposit amount may be applied by CUB against any unpaid bills of the customer, and if any balance remains after such application is made, said balance shall be refunded to the customer. CUB reserves the right to require additional deposit amounts should the account usage increase or reflect collection efforts. CUB may utilize the services of a third party agency to obtain a credit report prior to setting the deposit amount. The amount of the deposit will be at CUB's sole discretion. Simple interest shall be paid on cash deposits retained more than six (6) months at an interest rate to be determined by CUB annually.

3. Point of Delivery. The point of delivery is the point, as designated by CUB, where electric power and energy is to be delivered to the building or premises. All wiring and equipment beyond the point of delivery shall be installed, owned, operated and maintained by the customer (excepting the meter and related metering equipment) at no expense to CUB. CUB shall not be liable for accidents or damages that occur in connection with the customer's equipment or facilities located beyond the point of delivery. The location of CUB's meter or other equipment on the customer's side of the point of delivery shall not alter the location of the designated point of delivery. Customer shall, at no (zero) cost to CUB, provide adequate right-of-way and associated easement rights suitable to CUB for extension of service from CUB's existing system to the point of delivery.

4. Rates. All electricity furnished by CUB shall be supplied at the applicable rates in effect at the time as approved by the CUB Board of Directors. Residential rates shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein. Separately metered appurtenances (e.g., well pumps, garages, outbuildings, etc...) shall be billed under the applicable General Power Rate Schedule. A single-family dwelling shall include an individually metered single-family apartment and an individually metered duplex unit. If the major portion of the electricity supplied to a dwelling is used regularly for the purpose of conducting business, the electricity consumed in that portion so used must be separately metered and billed under the applicable General Power Rate Schedule. If separate metering and circuitry are not provided by the

customer, service to the entire premises shall be billed under the applicable General Power Rate Schedule. Customers must promptly notify CUB of any change in use or condition that may effect a change in rate classification. All rates for each class of service are based upon the supply of service to the entire premises through a single delivery and metering point, and at a single voltage. Separate supply for the same customer at other points of consumption, or at a different voltage, shall be separately metered and billed.

5. Customer's Wiring Standards. All wiring of the customer must conform to CUB's requirements and accepted modern industry standards, as exemplified by the requirements of the National Electrical Safety Code, the National Electrical Code and all applicable local codes and ordinances. In the event of any conflict between these standards and requirements, the most stringent shall apply (as determined solely by CUB). The type of electric supply together with the location of the service equipment and meter center must be approved by CUB prior to the customer's commencement of wiring.

6. Inspections. CUB reserves the right, but shall not be obligated, to inspect any installation either before electricity is first introduced or at any later time, and further reserves the right to reject any wiring, facilities or equipment found not in accordance with CUB's rules, regulations, policies or standards; but such inspection or failure to inspect or reject shall not render CUB liable or responsible for any loss or damage resulting from defects in the installation, wiring, facilities or equipment, or from violation of CUB's rules, regulations, policies or standards, or from accidents which may occur upon the customer's premises.

7. Underground Service. CUB may, at its discretion, install its facilities overhead or underground. Customers desiring underground service from CUB's distribution system must bear the excess cost incident thereto. Underground service laterals extending from CUB's high voltage system to the customer's premises must be installed and maintained by the customer in accordance with the provisions of the section of this Schedule of Rules and Regulations entitled Customer's Wiring Standards. Specifications and terms for underground utility construction will be furnished by CUB on request.

8. Customer's Responsibility for CUB's Property. All meters, service connections, and other equipment furnished by CUB shall be, and remain, the property of CUB. Customer shall provide a space for and exercise proper care to protect the property of CUB placed on the customer's premises and, in the event of loss or damage to CUB's property arising from neglect of the customer to care for same, the cost of the necessary repairs or replacements shall be paid by the customer. Customer shall be responsible for maintaining proper clearances between CUB's facilities and all structures or building additions constructed by the customer, including necessary tree trimming along the length of overhead service drops.

9. Right of Access. All equipment on the customer's premises belonging to CUB shall be readily accessible, as defined by the National Electrical Code, to CUB's identified employees or identified contract personnel at all times for the purpose of reading meters, testing, repairing, installing, inspecting and removing and/or exchanging this equipment. CUB shall be granted access at all times for the purpose of vegetation management, including in particular tree trimming and right-of-way operations, clearing hazards away from CUB's facilities, and upon reasonable notice to inspect the customer's service equipment and related facilities for compliance with applicable rules, regulations, code requirements and accepted industry standards.

10. Billing. Bills will be rendered monthly in accordance with the applicable rate schedule and shall be paid by the due date specified on the bill and by such payment methods as prescribed by CUB. Failure to receive a bill shall not release the customer from any payment obligation. Should any bill remain unpaid, CUB may at any time thereafter, upon five (5) days' written notice to the customer, discontinue service. Bills paid after the due date specified on the bill shall be subject to additional charges. Should the due date of a bill fall on a weekend or federally recognized holiday, the next business day following the due date will be held as a day of grace for delivery of payment. Remittances received by mail after the due date will not be subject to such additional charges if the incoming envelope bears a United States Postal Service date stamp of the due date or any date prior thereto. Customers participating in CUB's pre-payment program must render advance payment for account usage in accordance with the program guidelines to avoid service interruptions due to insufficient funding. All bills shall be paid in lawful currency or coin of the United States of America.

11. Discontinuance and Reconnection of Service. CUB may refuse to connect or may discontinue service for violation by the customer of any of CUB's rules, regulations, policies, standards, contracts or service agreements, including but not limited to: nonpayment of a utility bill or outstanding debts owed by the customer to CUB; theft of electric energy or the appearance of current theft devices or any evidence whatsoever of meter tampering; inadequate deposit amount or lack of suitable guarantee; dispute as to the ownership of the premises requested for service or the customer's disputed right to occupancy of said premises; a violation of the National Electrical Code or the National Electrical Safety Code or any other applicable rule, law or ordinance addressing the safety of customer-owned electrical equipment; the existence of any unsafe electrical condition found on the customer's premises by CUB; any reason deemed in CUB's best interests and the best interests of CUB's electric system. The discontinuance of service by CUB for any cause as stated herein will not release the customer from his or her obligation to CUB for the payment of any amounts lawfully due CUB, including but not limited to, minimum bills and other charges and fees as determined by CUB.

12. Connection, Reconnection, Disconnection and Other Charges. CUB will collect charges and fees to cover the cost, including associated administration, of connecting or reconnecting service, disconnecting service, or providing other utility services. Higher charges may be established and collected when connections and reconnections are performed after normal office hours or when special circumstances warrant.

13. Temporary Service. Customers requiring electric service on a short-term or limited basis, or any service classified by CUB as being temporary, will be required by CUB to pay all costs for connection and disconnection incidental to the supplying and removing of service at the time such service is requested.

14. Outdoor Lighting. CUB may offer outdoor lighting for individual customers. The type, size and associated monthly charges shall be in accordance with the applicable rate schedule and CUB's rules, regulations and policies governing such installations. Installations requiring the placement of a pole and/or associated equipment by CUB for the sole purpose of mounting an outdoor light shall be subject to additional charges prior to commencement of work. Temporary outdoor lighting for individual customers shall be provided in accordance with the section of this Schedule of Rules and Regulations entitled Temporary Service.

15. Interruption of Service. CUB will use reasonable diligence in providing a highly reliable supply of electric current, but shall not be liable for loss, injury, or damage to persons or property resulting from service interruption events such as, but not limited to; unintended interruptions in electric service; failure of any CUB electric system component; intentional discontinuance of the flow of electric current for reason involving maintenance, repair, safety or extensions of the electric system; nonpayment of a utility bill or violation of any CUB rule or regulation as indicated in the section of this Schedule of Rules and Regulations entitled Discontinuance and Reconnection of Service; single-phasing; fluctuations in voltage or current on CUB's electric system; any reason deemed in CUB's best interests and the best interests of CUB's electric system. Customer shall be responsible for protecting his or her service and end-use equipment from current and voltage fluctuations by installing appropriate overcurrent protection devices, surge arresters, uninterruptible power sources and other standard safety and power conditioning devices. In no event will CUB be liable for any damages or for loss of data involving a customer's computer system and associated equipment.

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

17. Electrical Fluctuations Caused by Customer. Electric service may not be used in such a manner as to cause unusual fluctuations or disturbances to CUB's system. CUB may require any customer identified by CUB as being a source of harmonic interference or otherwise causing any disturbance whatsoever to CUB's system or to the electric service provided by CUB, at the customer's own expense, to install suitable apparatus which will reasonably limit such fluctuations and mitigate all undesirable interference, as determined by CUB. Failure on behalf of the customer to adequately and promptly remedy undesirable fluctuations or interference after being notified by CUB may, at CUB's sole discretion, result in discontinuance of electric service.

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

19. Standby and Resale Service. All purchased electric service (other than emergency or standby service) used on the premises of the customer shall be supplied exclusively by CUB. Customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any portion thereof without CUB's express written consent.

20. Notice of Trouble. Customer shall promptly notify CUB should the electric service be unsatisfactory for any reason, or should there be any defects, trouble, irregularities, or anomalies affecting the supply of electricity.

21. Special or Non-Standard Service. Customer shall pay the additional cost, as compared to a standard service installation normally supplied by CUB, of any special or non-standard service installation necessary to meet the customer's specific requirements.

22. Meter Tests. CUB will, at its own expense, make periodic tests and inspections of its meters and associated metering circuitry and equipment in order to maintain a high standard of accuracy. CUB will make additional tests or inspections of its meters at the request of the customer. If such additional tests made at the customer's request show that the meter is accurate within two percent (2%), slow or fast, no adjustment will be made in the customer's bill, and CUB's standard testing charge will be billed to the customer. In case the test shows the meter to be in excess of two percent (2%), slow or fast, an adjustment will be made in the customer's bill and the cost of the test shall be borne by CUB.

23. Relocation of and Changes to CUB's Facilities. CUB may, at the request of the customer, relocate or change existing CUB-owned equipment. Customer may be required to reimburse CUB for such changes at actual cost including appropriate overheads.

24. Energy Right Program. CUB, in fulfillment of the purposes and provisions of the TVA Act promoting the wider and better use of electric power and as part of its electric service, may make available funds to eligible electric customers for energy efficient improvements identified under the Energy Right Program being made available by CUB and TVA. Eligible customers must sign repayment agreements under which the funds made available will be repaid to CUB. Monthly repayment amounts due for this service will be included as part of the monthly electric bill from CUB. Except as otherwise agreed in the repayment agreement, the provisions of the section of this Schedule of Rules and Regulations entitled Billing shall apply to bills for the amounts made available by CUB as part of its electric service under this program.

25. Dispersed Power Production. Cogeneration and small power production facilities may be interconnected with CUB's electric system in accordance with CUB's applicable rules, regulations, and policies pertaining to such installations and upon approval of TVA. Customers desiring to construct environmentally-friendly forms of power generation such as solar panels or wind generation and make interconnection with CUB's electric system must follow the guidelines set forth in TVA's Green Power Providers Program.

26. Unauthorized Use or Interference with Electric Supply. No person shall operate or attempt to operate, adjust, or alter any of CUB's switches or other CUB equipment without permission or authority from CUB's authorized personnel.

27. Information to Customers. CUB may utilize news media, internet, newspapers, direct mail, monthly invoices, telephone or other appropriate media techniques to inform customers as to rate actions, public meetings, promotional activities, service policies and similar business-related news and events.

28. Smart Grid Data. Upon request and in accordance with CUB's procedures, CUB will make available to customers their applicable energy consumption data for the most recent twelve (12)

month period. In accordance with applicable law, CUB will not release any individually identifiable energy consumption data or other personal data or information collected by CUB without the customer's authorization. CUB will only use smart grid data in order to enhance system security, improve service reliability, limit outage durations and improve operating efficiency. Nothing in this section shall limit CUB's obligation to report energy sales to TVA or to transmit essential billing data to CUB's authorized billing agency.

29. Direct Load Control Program. CUB, as part of its commitment to energy efficiency and maintaining competitive retail rates, may afford customers the opportunity to partner together in an effort to manage system power demands. One component of this program allows the customer to choose to actively participate by permitting CUB or CUB's authorized agent to install certain load control devices on the customer's premises. Only those customers who have agreed to participate in the program by signing an agreement with CUB and who have permitted the installation of a load control device on their premises will be affected by load management actions initiated by CUB.

30. Promotion of Technology. CUB may establish and maintain processes consistent with this Schedule of Rules and Regulations that promote and utilize new technologies for the operation of its electric system in order to improve system reliability, increase operational efficiency and/or lower the costs of operation.

31. Service Policies and Procedures. CUB may adopt Service Policies and Procedures to implement this Schedule of Rules and Regulations.

32. Scope. This Schedule of Rules and Regulations, as amended from time to time, is a part of all contracts for electric service from CUB and applies to all service received from CUB, whether the service is based upon contract, agreement, application, rate schedule, or otherwise. CUB's obligation to provide electric service shall at all times be subject to the limitations and stipulations contained in the wholesale power supply agreement between CUB and its wholesale power provider.

33. Revisions. This Schedule of 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 Schedule of Rules and Regulations.

34. Conflict. In the event of conflict between any provision of any rate schedule and this Schedule of Rules and Regulations, the applicable rate schedule shall apply.