

**THE MIDDLE TENNESSEE ELECTRIC
MEMBERSHIP CORPORATION**

**SCHEDULE OF
RULES AND REGULATIONS
*Revised 03-23-11***

Applicable to all Classes of Service

1. **APPLICATION FOR SERVICE:** Each prospective CUSTOMER desiring electric service shall meet DISTRIBUTOR'S requirements for application for service or contract before service is supplied by the DISTRIBUTOR.
2. **DEPOSIT:** A deposit or suitable guarantee may be required of any CUSTOMER before electric service is supplied. Upon termination of service, deposit may be applied by DISTRIBUTOR against unpaid bills of CUSTOMER, and if any balance remains after such application is made, said balance shall be refunded to CUSTOMER. Deposits held more than six (6) months shall earn interest from that date. The amount of deposits will be approximately two and a half times the average monthly bill.
3. **POINT OF DELIVERY:** The point of delivery is the point, as designated by DISTRIBUTOR, on CUSTOMER'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 CUSTOMER at no expense to DISTRIBUTOR. Certain wiring and equipment beyond the point of delivery, as may be agreed upon between the CUSTOMER and DISTRIBUTOR, could be provided and maintained by DISTRIBUTOR, with the CUSTOMER paying a monthly investment charge determined by the DISTRIBUTOR.
4. **CUSTOMER'S WIRING – STANDARDS:** All wiring of CUSTOMER 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.
5. **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 reserves 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 CUSTOMER'S premises.
6. **UNDERGROUND SERVICE LINES:** CUSTOMERS desiring underground service lines from DISTRIBUTOR'S overhead system must bear the excess cost incident thereto. Specifications and terms for such construction will be furnished by DISTRIBUTOR on request.
7. **CUSTOMER'S RESPONSIBILITY FOR DISTRIBUTOR'S PROPERTY:** All meters, service connections, and other equipment furnished by DISTRIBUTOR shall be, and remain, the property of DISTRIBUTOR. CUSTOMER 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 CUSTOMER to care for same, the cost of the necessary repairs or replacements shall be paid by CUSTOMER.
8. **RIGHT OF ACCESS:** DISTRIBUTOR'S identified employees or agents shall have access to CUSTOMER'S premises at all reasonable times for the purpose of reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to DISTRIBUTOR.
9. **BILLING:** Bills will be rendered monthly and shall be paid at office of DISTRIBUTOR or at other locations designated by DISTRIBUTOR. Failure to receive bill will not release CUSTOMER from payment obligation. Should bills not be paid by due date, DISTRIBUTOR will communicate a notice by phone to CUSTOMER after three (3) days, advising that bill payment has not been received. Should CUSTOMER bill remain unpaid, a subsequent notice by phone will be communicated eight (8) days from due date, advising that service is scheduled for disconnection. If the eighth (8th) day falls on a weekend or holiday, the call will be made on the next business day. Disconnections will be made no earlier than eleven (11) days from due date. Bills paid on

or before the end of the net bill period shall be payable at the net rates, but thereafter the gross rates shall apply, as provided in the Schedule of Rates and Charges. Should the final date for payment of the bill at the net rates fall on a weekend or holiday, the business day next following the final date will be held as a day of grace for delivery of payment. If payments are not received by 4:30 P.M. on the due date, then the gross billing rate shall be due and owing.

Any CUSTOMER requesting a hearing will be given due process. (See Policy Bulletin 111.)

- 10. DISCONTINUANCE OF SERVICES 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 CUSTOMER or contract with CUSTOMER. DISTRIBUTOR may discontinue service to CUSTOMER for the theft of current or the appearance of current theft devices on the premises of CUSTOMER. The discontinuance of service by DISTRIBUTOR for any causes as stated does not release CUSTOMER from his obligation to DISTRIBUTOR for the payment of minimum bills as specified in the application of CUSTOMER or contract with CUSTOMER. DISTRIBUTOR will not discontinue service 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.
- 11. RECONNECTION CHARGE:** Whenever service has been discontinued by DISTRIBUTOR, as provided above, or a trip is made for the purpose of discontinuing service, a service charge as specified in Operational Bulletin No. 111-A may be collected by DISTRIBUTOR before service is restored. If it is necessary to restore service after regular work hours, the emergency overtime work rate may be charged as specified in Operational Bulletin No. 102-I.
- 12. TERMINATION OF CONTRACT BY CUSTOMER:** CUSTOMERS 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 CUSTOMER from any minimum or guaranteed payment under any contract or rate.
- 13. SERVICE CHARGES FOR TEMPORARY SERVICE:** CUSTOMERS 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.
- 14. 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.
- 15. VOLTAGE FLUCTUATIONS CAUSED BY CUSTOMER:** Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to DISTRIBUTOR'S system. DISTRIBUTOR may require CUSTOMER, 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 DISTRIBUTOR for each CUSTOMER have definite capacity, and no addition to the equipment or load connected 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 CUSTOMER liable for any damage to any of DISTRIBUTOR'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 CUSTOMER shall be supplied exclusively by DISTRIBUTOR, and CUSTOMER shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.
- 18. NOTICE OF TROUBLE:** CUSTOMER 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.
- 19. NON-STANDARD SERVICE:** CUSTOMER shall pay the cost of any special installation necessary to meet his/her non-standard service requirements.

- 20. METER TESTS:** DISTRIBUTOR will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. DISTRIBUTOR will make additional tests or inspections of its meters at the request of CUSTOMER. If tests made at CUSTOMER'S request show that the meter is accurate within two percent (2%), slow or fast, no adjustment will be made in CUSTOMER'S bill and DISTRIBUTOR'S standard testing charge will be paid by CUSTOMER. In the case the test shows meter to be in excess of two percent (2%), fast or slow, an adjustment shall be made in CUSTOMER'S bill over a period of not over thirty (30) days prior to date of such test, and cost of making test shall be borne by DISTRIBUTOR.
- 21. INCORRECT CUSTOMER BILLING:** If DISTRIBUTOR determines a CUSTOMER 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 the DISTRIBUTOR, an adjustment shall be made in the CUSTOMER'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 CUSTOMER. 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. RELOCATION OF FACILITIES:** DISTRIBUTOR shall, at the request of CUSTOMER, relocate or change existing DISTRIBUTOR-owned equipment provided DISTRIBUTOR is not prevented from making the relocation. CUSTOMER shall reimburse DISTRIBUTOR for such changes at actual cost including appropriate overheads.
- 23. SCOPE:** The Schedule of Rules and Regulations is a part of all contracts for receiving electric service from DISTRIBUTOR, whether the service is based 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.
- 24. 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.
- 25. CONNECTION CHARGES:** Fees will be charged for all new permanent locations and for previously served permanent meter locations. DISTRIBUTOR 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.
- 26. CONFLICT:** In case of conflict between any provision of any rate schedule and the Schedule of Rules and Regulations the rate schedule shall apply.
- 27. 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 CUSTOMER and/or may otherwise restrict the time during which CUSTOMER may make use of electricity and the uses which CUSTOMER may make of electricity. If such actions become necessary, CUSTOMER may request a variance because of unusual circumstances including matters adversely affecting the public health, safety and welfare. If CUSTOMER 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. If the shortage of electricity is due to the power supplier not having enough electricity to supply the load of DISTRIBUTOR, or in the event of a widespread regional power shortage, then the Load Curtailment Plan of the power supplier shall be followed.