

DUCK RIVER ELECTRIC MEMBERSHIP CORPORATION SCHEDULE OF RULES AND REGULATIONS

Applicable to All Classes of Service

1. Scope and Availability of Information. 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 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 and Distributors Service Policies, shall be kept open to inspection at the offices of Distributor and may also be found on the Distributors website www.dremc.com. New members will be informed about rates and SPPs upon application for service and told how they can obtain copies of such information.

2. Application for Service. Each prospective Member desiring electric service may be required to sign the Distributor's standard form of application for service or contract before service is supplied by the Distributor.

3. Deposit. A deposit or suitable guarantee may be required of any Member before electric service is provided. Deposit amounts will be set in accordance with Service Policy 102. Distributor may at its option return deposit to Member after the requirements set forth in Service Policy 102 are satisfied. 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.

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 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 Member's premises.

7. Underground Service Lines. Upon request, underground electric service is available in accordance with the Cooperative's Service Policy 602. Specifications and terms for such construction will be furnished by Distributor on request.

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. Distributors 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 in accordance with the policies in Service Policy Section 300. Should bills not be paid, Distributor may at any time thereafter, discontinue service in accordance with the policies in Service Policy Section 400.

11. Disconnection of Service by Distributor. Distributor may refuse to connect or may discontinue service as set forth in Service Policy 401. The disconnection of service by Distributor for any causes as referenced 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.

12. Reconnection of Service. Whenever service has been discontinued by Distributor, reconnection may be accomplished in accordance with the provisions of Service Policy 402.

13. 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.

14. Service Charges for Temporary Service. When requested, electric service on a temporary basis may be provided in accordance with Service Policy 601 A.

15. Interruption of Service. The Cooperative does not guarantee continuous and uninterrupted service and will not be liable for loss or damage to any member's equipment, belongings, real property, business losses or consequential damages caused by any failure to supply electric service or by any interruption or reversal of the supply of electric service, if such is due to any cause beyond the reasonable control of the Cooperative.

16. 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 allocation method deemed equitable by Distributor, interrupt or fix the amount of electricity to be made available for use by Member. Restrictions, when required, may otherwise restrict the time during which Member may make use of electricity and the uses for which member may take electricity.

17. 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 the Member's expense, to install suitable apparatus which will reasonably limit such fluctuations.

18. 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 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 Member liable for any damage to any of Distributor'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 Member shall be supplied exclusively by Distributor, unless prior written authorization to the contrary has been provided by the Cooperative. Member shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.

20. 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.

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

22. 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 the Member in accordance with Service Policy 306.

23. Extensions and Additions to Street Lighting Systems. Distributor shall, at the request of Member for street lighting service, provide additions and extensions to the street lighting system, provided that if, in any year ending June 30, Member requests additions or extensions with a total cost in excess of five percent (5%) of the investment in street lighting property and equipment. Member may be required to finance such excess cost.

24. 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, cotton gins, and other seasonal Members exempted) 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.

25. Athletic Field Lighting. Athletic field lighting installations not owned or maintained by Distributor may be served in accordance with Service Policy 601 D and E. Rate and restrictions will be as outlined in the lighting contracts as required on an individual basis.

26. 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.

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.

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