

INTRODUCTION

The successful operation of any business requires that uniform policies be adopted and adhered to in the day-to-day operations of the business.

In adopting the policies as set forth herein, the Board of Directors of Duck River Electric Membership Corporation (hereinafter referred to as the Cooperative) has endeavored and intended to provide operating conditions that are fair and equitable to all members and to promote safe, adequate and uniform service to all members.

These policies are a part of every contract for service in that in the application for service, a member agrees to be bound by the provisions of the Bylaws, rules and regulations, and policies, as may from time to time be adopted by the Board of Directors of the Cooperative. No representative of the Cooperative has the authority to modify or change any of the service policies. The failure of the Cooperative to enforce any of the provisions of these policies shall not be considered a waiver of its right to do so.

These policies may be amended from time to time by the Board of Directors as operating conditions and situations necessitate such change. They do not reflect all policies adopted by the Board, only those related to service to the member.

MEMBERSHIP AGREEMENT WITH CONSUMER/OWNER

These Service Policies, as part of the Service Agreement between Duck River Electric Membership Corporation and the member, govern the supply and receiving of electric service. Membership is available to all persons within the service area of the Cooperative on a non-discriminatory basis as set forth in the Bylaws of the Cooperative.

As a member of the Cooperative, you are both a consumer and an owner. You have the right to vote in selecting the Cooperative's Board of Directors and participate in other business issues that may be considered at the Cooperative's annual meeting. The Board of Directors set policies that determine how the Cooperative operates.

We take great pride in providing you with quality service as it is our most important product. We will endeavor to maintain at all times the quality service that you expect and deserve. Due to many circumstances and conditions, however, we cannot guarantee continuous and uninterrupted electric service.

SERVICES AVAILABLE TO MEMBERS

Building or Remodeling – Duck River Electric offers assistance in sizing your electric heat pump or planning for your wiring and lighting.

Heat Pump Loan Program – Working through a lending institution, DREMC may be of help if you are interested in replacing or installing an electric heat pump in your home or upgrading its energy efficiency. Details are available upon request from your local DREMC office or at www.dremc.com. Not only may you qualify for a loan to install a new heat pump or make energy efficiency improvements, you will receive the value of an after-installation inspection to make sure your new heating and cooling equipment is operating properly and efficiently. You could also qualify for a rebate.

Project HELP – DREMC’s Project HELP program will help defray the cost of energy for elderly and handicapped members. Inquire at your local DREMC office to find out how you can have \$1.00 or more added to your electric bill each month to support this worthy program.

Easy Bill Payment Plans – The cooperative offers several methods of paying your electric bill each month as well as ways to more evenly spread the fluctuating cost of heating and cooling over a 12-month period. Check with your local DREMC office for information on these programs or go to www.dremc.com

Life Support – If you or a family member are dependent on life support equipment, please let us know. Contact your local DREMC office and tell us the type of life-support equipment involved, your address and telephone number.

Auxiliary Generator – If you are considering the purchase of an auxiliary generator for your farm, home or business, contact DREMC’s Member Services Department for assistance. The cooperative will assist you in sizing the generator to your load requirements and provide wiring recommendations so the generator can be wired to your home electrical service safely. Safety is a priority for DREMC and its members.

Information and Questions – Brochures and information on electric appliances and energy use are available through the Member Services Department or from display racks in the office lobbies. Our website -- www.dremc.com -- also includes information on programs and services and energy efficiency. Programs are also available for civic and school groups. If interested in a presentation, contact your local office or the Member Services Department at (931) 684-4621.

Surge Protection – Members interested in providing surge protection for their sensitive electrical equipment and appliances may do so utilizing a “whole house” surge suppression meter ring that installs at the electric meter base for lease at \$5.00 per month including a \$20 installation charge for a 200 amp service. An individual “wire” in suppressor (one time purchase) for a 400 amp service is also available which requires the services of a qualified electrician at the member’s expense.

WHAT TO DO WHEN YOUR LIGHTS GO OUT

If your lights go off suddenly, there are three probable causes:

1. There is a problem on the DREMC lines.
2. The transformer serving you has tripped.
3. Your main fuse or circuit breaker has opened or you have internal wiring problems.

Before calling DREMC to report an outage, first try to determine if the problem is in your house. If we send a serviceman out and the trouble is on your side of the meter such as a blown fuse or tripped circuit breaker, we must charge you for the trip. Check to see if your neighbors' lights or street or security lights are still on. If so, check your main electrical panel fuses or circuit breakers.

If you have circuit breakers:

1. Flip the main breaker handle to the OFF position, then back ON
2. If none of your lights or appliances work, call your local DREMC at the numbers listed on the contact sheet included in this packet of information.
3. If only part of your lights are off, check branch circuit breakers by switching them OFF, then ON.

If you have fuses:

1. Buy and keep replacement fuses on hand of the proper size for main and branch circuits.
2. Pull out the main fuse block and replace, trying them one at a time. You generally cannot tell if a cartridge fuse is blown by simply looking at it.

If you are satisfied the trouble is on DREMC lines and not in your house, call your local DREMC office. If you observe flashes along the line, trees down in the wires, wrecks, etc., please report these when calling to help speed restoration of service. If a power outage is widespread, our phones may be busy. Please be patient and call again. Give your name, member account number, street address with directions and home phone number.

**Do Not Call 911 unless there is a
life threatening emergency!**

SAFETY

For You and DREMC

Electricity is an ever-present part of our lives that must be treated with respect. Be sure you practice safety precautions and teach others in your family, especially your children, to do the same.

Power Lines

Treat every electrical wire as if it were “LIVE” and “Dangerous.” Never assume that a power line is “DEAD.”

Don't raise any tall objects without looking up. A ladder, antenna, piece of pipe, even wet wood, can be deadly if contact is made with an electric line.

When installing any radio or television antenna, position it away from power lines. A safe distance is twice the height of the antenna and mast assembly.

Work only in dry weather and never on a windy day. If an antenna does start to fall, let it go and stay clear. Don't touch it until you are sure it's not touching any electrical wires.

Don't load or unload trucks beneath or near power lines.

Call DREMC before you try to trim any trees near power lines. Do not plant trees under power lines.

Never fly kites or model airplanes near power lines. If one is caught in a line or nearby tree, leave it alone.

If a power line hits your car while you are in it, stay inside the car and wait for help to arrive. If the car catches fire, jump clear without touching metal and the ground at the same time.

Electric Appliances

Always unplug small electrical appliances after using them. Even when the switch says “off”, power is still present and appliances can electrocute you if they contact water.

Never use an electrical appliance near a tub or sink. If an appliance falls into water, do NOT reach for it. Immediately unplug it from the wall outlet.

Make sure appliances and extension cords are NOT frayed. Replace them – do NOT patch.

Do NOT run cords behind radiators, under carpets, through doorways, around pipes or near metal objects.

Do NOT plug too many appliances into one electrical outlet. Wires may overheat, destroy insulation and cause a fire.

STATEMENT OF NONDISCRIMINATION

Non-Discrimination Statement

Duck River Electric Membership Corporation is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age, or disability shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is the President and CEO. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice or TDD). Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

100 ELECTRIC SERVICE AVAILABILITY

101 Application for Membership

No person, partnership, corporation or governmental agency shall be given electric service or admitted to membership in the Cooperative without written application first being submitted to the Cooperative. However, service may be extended in cases where for legitimate and valid legal and/or religious belief reasons an individual or organization is unwilling to become a “member” of the Cooperative, in which case appropriate documentation acceptable to both the individual and the Cooperative will be executed allowing the Cooperative to provide service to such individuals or organizations on a non-membership basis, but otherwise all requirements, rules, bylaws, regulations, etc. pertaining to members shall be applicable to all such non-members receiving Cooperative service.

The service agreement between the Cooperative and its member will consist of the following:

- Membership Card (or acceptable non-membership form) signed by member or duly authorized representative after providing photo identification, social security number, or other satisfactory form of identification
- Bylaws
- All necessary right-of-way easements
- Current applicable rate schedule and riders
- Applicable security deposit
- Load Management Agreement (if applicable)
- Current Service Rules and Regulations

A supplemental written contract on a form provided by the Cooperative may be required.

The Cooperative’s form of Application for Membership (or acceptable non-membership form) must be completed, signed and submitted, accompanied by a membership fee (application fee for non-member) of \$10.00. A non-refundable connection charge, as specified in the Fee Schedule, will be required.

102 Security Deposit

A. Residential Rate (RS) Class of Consumers – Standard Billing

1. The security deposit for any standard billing residential service applicant (permanent, manufactured or modular home) will be determined by applying the credit score as provided by a reputable credit reporting agency. Regardless of the credit score, the initial deposit amount will not exceed 75% of the seasonal peak for the location..

For purposes of this section, prompt payment shall be defined as payment on or before the past due date of the bill for 23 of the previous 24 consecutive months.

<u>Credit Score</u>	<u>Amount of Security Deposit</u>
Above Average	\$0.00
Average	\$150.00
Below Average	\$300.00
Elevated Credit Risk	75% of Seasonal Peak**

** *The seasonal peak is defined as the sum of the two highest adjacent monthly bills.*

2. In the event it is not possible to obtain a score from the agency at the time applicant applies for electric service (applicant information not available, insufficient information to obtain score, technical difficulties, etc.) applicant will provide an initial security deposit equal to 75% of the seasonal peak for the service location. If no history is available for the location, the applicant will provide a security deposit of \$300.00. A refund may be made, upon request, by the member, when an appropriate credit score is established.

3. No additional security deposit will be required from any member with a prompt payment record already receiving electric service when: (a) transferring directly from one location to another, and/or, (b) when it is mutually desirable to correct the Cooperative records due to death of a member, legal separation, etc.

4. For standard billing residential accounts, the deposit may be refunded (or applied to the member's bill) upon completion of an appropriate written form delivered to the Cooperative by the member after the completion of two (2) consecutive years of prompt payment to the Cooperative. In addition, member will not have had any payment amount returned or refused by their financial institution for "insufficient funds."

5. In the event a member has been disconnected within the past twenty-four (24) months for non-payment, they will be subject to a deposit equal to 75% of the seasonal peak. The seasonal peak is defined as the sum of the two highest adjacent monthly bills in the most recent 24 month period.

B. Residential Rate (RS) Class of Consumers – Pre-paid billing program

The security deposit for a pre-paid billing residential service applicant (permanent, manufactured or modular home) will be \$50.00, unless the deposit may be waived under Paragraph A.1 of this section.

C. General Service (GS) and Manufacturing Service (MS) Rate Class of Consumers

1. A security deposit of approximately two times the monthly bill (estimate when necessary), will be required from each member in this class with the exception of those that qualify under Paragraph C4 of this Section. The initial deposit amount will not exceed two times the highest monthly bill or be less than two times the applicable base charge including applicable taxes.

Bill estimations will be made using information from similar electric accounts, electrical load and usage information supplied by the member and previous usage history at the specific location where service is requested.

2. A surety bond of \$1,500 or greater may be furnished in lieu of a cash deposit for commercial and industrial members, if requested and if the member is qualified as acceptable by reputable insurance underwriters. A guaranteed arrangement for keeping the surety bond in force must be agreed upon and the minimum amount of the surety bond must be no less than twice the current or expected monthly bill. The surety bond shall be subject to the approval of the Cooperative in its sole discretion and the bond shall be in the form as approved by the Cooperative, and shall specifically provide that it shall not be cancelled or otherwise rendered ineffective by the principal thereof or the surety except upon sixty (60) days prior notice thereof given in writing to the Cooperative. Failure to have a valid bond in force and effect shall be considered as a breach of contract for the furnishing of electric service to the member and the Cooperative shall, in its discretion, be entitled to any remedy as otherwise provided, but specifically including the right to terminate electric service.

3. An irrevocable letter of credit of \$1,500 or greater may be furnished in lieu of a cash deposit for commercial and industrial members, if requested and if the member is qualified as acceptable by an approved financial institution. A guaranteed arrangement for keeping the letter of credit in force must be agreed upon and the minimum amount of the letter of credit must be no less than twice the current or expected monthly bill. The financial institution shall be subject to the approval of the Cooperative in its sole discretion and the irrevocable letter of credit shall be in the form as approved by the Cooperative, and shall specifically provide that it shall not be cancelled or otherwise rendered ineffective by the member thereof or the financial institution except upon one hundred twenty (120) days prior notice thereof given in writing to the Cooperative. Failure to have a valid irrevocable letter of credit in force and effect shall be considered as a breach of contract for the furnishing of electric service to the member and the Cooperative shall, in its discretion, be entitled to any remedy as otherwise provided, but specifically including the right to terminate electric service.

4. Commercial and Industrial members who meet the stringent financial criteria established for participation in the Enhanced Security Deposit Program may, at the Cooperative's sole discretion, be nominated for inclusion in that program. (See current Enhanced Security Deposit Program Guidelines for specific requirements). If nominated and approved by the program's insurance underwriter, said commercial or industrial member will have their security deposit waived or refunded. Terms and guidelines established for this program require that commercial or industrial members meet all other of the Cooperative payment and service policies.

E. Security deposits on file for each metered member location (residential, commercial or industrial) will earn interest on a fiscal year basis (July 1 through June 30) at a per annum interest rate equal to the published passbook savings rate as applied by the Cooperative's FDIC insured primary bank on June 30 of said year. Interest payments will be calculated based on the amount of deposit on file for the member's electric account on the earlier of (a) termination of electric service or, (b) June 30 of each year. Generally, interest earned will be credited to the member's final bill or their active July or August bills.

F. Upon termination of electric service to any member for any reason, the security deposit is applied to any unpaid amount owed the Cooperative before refunding any remaining balance of deposit to the member.

G. The Cooperative reserves the right at any time to re-evaluate the adequacy of a deposit and/or credit worthiness of the member and adjust the deposit accordingly. The member may request at any time that the adequacy of the deposit, including interest, be reviewed.

103 Area Coverage and Line Facilities

The area boundaries of the Cooperative were established by conference with neighboring electric cooperatives and municipalities so that proper study and system design could be made for providing adequate service to all within the area. Most agreements are flexible to the extent that a border line prospective member may be transferred to a neighboring area if service can be made available sooner and more economically by the neighboring electric cooperative or municipality, provided this agreement is reached by correspondence between the interested power system managers.

Duck River Electric Membership Corporation will make a diligent effort to extend electric service to all unserved persons within the Cooperative's service area who desire electric service and meet all conditions as outlined by the Board of Directors. These conditions are set forth in this document, the Schedule of Rules and Regulations, the Bylaws, Application for Membership and Electric Service, and other policies and rulings of the Board of Directors, as applicable.

104 Metering Facilities

All meter bases shall be installed on an exterior wall, meter pole, or meter pedestal not less than five feet and not more than six feet above grade and at a point where the Cooperative's facilities can be constructed at reasonable cost and in accordance with sound engineering practices. Any deviation from this principle, if approved by the Cooperative, will be at the member's expense. The service of the Cooperative will extend to the weatherhead just in front of the meter for

overhead services and to the meter base for underground services. The Cooperative's service representative will meet with the member, contractor, or electrician to establish the appropriate meter location.

The member shall furnish and install suitable wiring within the meter enclosure or meter socket to permit the Cooperative to install the meter without any additional materials. If in the sole determination of the Cooperative the meter needs to be relocated, the meter shall be relocated at the expense of the member. All wiring must be installed in accordance with the then applicable National Electrical Code and inspected by the State of Tennessee Deputy Electrical Inspector.

No persons except an employee of the Cooperative shall alter, remove or make any connections to the Cooperative's meter or service equipment. No meter seal may be broken by anyone other than a cooperative employee. Cooperative personnel will routinely check for broken meter seals when visiting member premises and members should promptly report any observed broken meter seals to Cooperative personnel.

Members applying for more than one class of service on the same premises will arrange their wiring so that each class of service can be metered separately. Regardless of ownership of the facilities, the Cooperative will have the right, at its option, and at its own expense, to place demand meter, voltmeters, locking devices, or other instruments on the premises of the member for the purpose of monitoring and maintaining the member's service.

200 CONDITIONS OF SERVICE

201 General Conditions

The Cooperative will supply electrical service to the member after all of the following conditions are met:

- A.** The member agrees to be bound by the Cooperative's rules and regulations, Bylaws and policies.
- B.** The member agrees to furnish without cost to the Cooperative, or other member or potential member of the Cooperative, all necessary easements and rights of way and agrees to abide by the terms of all existing Cooperative easements and rights of way regarding the prohibition of buildings, structures or other obstacles, including deep rooted vegetation within the easement and rights of way.
- C.** The member has paid all required deposits as defined previously in this document.
- D.** The member has paid all required aid-in-construction as defined by the line extension policy outlined later in this document.
- E.** The member agrees to have all streets, alleys, and driveway entrances graded to within six (6) inches of final grade and have lot lines established before installation or extension of electrical service begins.

F. The member agrees that the Cooperative will have right of access to member's premises at all times for the purpose of reading meters, testing, repairing, removing, maintaining or exchanging any or all equipment and facilities which are the property of the Cooperative, or when on any other business between the Cooperative and the member. In cases where it is reasonably necessary and cost effective, the Cooperative may use, without payment to the member, the member's premises for accessing neighboring property served by the Cooperative.

G. Any previous outstanding debts owed by the member, or any other person in the member's immediate household, to the Cooperative have been paid.

H. Provision of service in no way conflicts with public authorities.

I. All member wiring and equipment has met the requirements of the National Electrical Code and of the Cooperative, in addition to the specifications of any local authorities having jurisdiction. Proof of permit purchase or inspections required to meet local and state governmental standards of the premises wiring has been made available by the member.

J. The member has not connected, and agrees not to connect in the future, any motors or other equipment which are not suitable for operation with the character of the service supplied by the Cooperative or which adversely affect the Cooperative's equipment or the service to other members. For more detailed information, see Section 209.

K. The member agrees to be responsible for notifying the Cooperative of any additions to or changes in the member's equipment which might affect the quality of service or might increase the member's demand.

L. If the member desires special handling of the account in the event of failure to pay electric bills or planned power outages, the member agrees to promptly notify the Cooperative in writing if there is someone in their household who is either chronically or seriously ill, disabled or on an electrically operated life support system.

202 Standard Supply Voltage

The Cooperative maintains one system of alternating current at a standard frequency of 60 cycles per second that is supplied throughout its system and within prudent utility practices. The Cooperative will determine the voltage, number of phases, and type of metering which will be supplied depending upon the Cooperative's facilities available and upon the character, size and location of the load to be served. Not all services described below are available in all areas served by the Cooperative. The member will consult the Cooperative before proceeding with the purchase or installation or wiring of equipment. To avoid misunderstanding, this information should be in writing from both the member and the Cooperative.

Secondary Voltages

Single Phase, 2 Wire	120 Volt
Single Phase, 3 Wire	120/240 Volt
Three Phase, 4 Wire	120/208 Volt
Three Phase, 4 Wire	120/240 Volt
	Light loads served by two transformer overhead bank or by approval of Cooperative engineering
Three Phase, 4 wire	277/480 Volt

Primary Voltages *

Single Phase, 2 Wire	7,200 Volt or 14,400 Volt, as available
Three Phase, 4 Wire	7,200/12,470 Volt or 14,400/24,940 Volt, as available

* Requires approval of Cooperative engineering

Voltage levels will be maintained in accordance with the latest RUS Bulletin 169-4 and the latest edition of the American National Standards Institute (ANSI) Standard C84.1. The ANSI Standard defines “Range A” and “Range B” voltage limits as follows:

Range A – Service Voltage

Electric supply systems shall be so designed and operated that most service voltages are within the limits specified for this range. The occurrence of service voltages outside these limits is to be infrequent.

Range A – Utilization Voltage

User systems shall be so designed and operated such that, with service voltages within Range A limits, most utilization voltages are within the limits specified for this range. Utilization equipment shall be so designed and rated to give fully satisfactory performance throughout this range.

Range B – Service and Utilization Voltages

This range includes voltages above and below Range A limits that necessarily result from practical design and operating conditions on supply and/or user systems. Although such conditions are a part of practical operations, they shall be limited in extent, frequency and duration. When they occur, corrective measures shall be undertaken within a reasonable time to improve voltages to meet Range A requirements.

Insofar as practicable, utilization equipment shall be designed to give acceptable performance in the extremes of this range of utilization voltage, although not necessarily as good performance as in Range A.

Table 1. Voltage Ranges ANSI Standard C84.1 (120 volt base)

Range	Minimum			Maximum
	Utilization Voltage		Service Voltage	Utilization & Service Voltage
	Non-lighting Loads	Loads including lighting		
A	108	110	114	126
B	104	106	110	127

It will not be considered a violation of this voltage standard when voltages outside of the prescribed limits are caused by any of the following:

- Action of the elements;
- Service interruptions;
- Temporary separation of parts of the system from the main system;
- Infrequent fluctuations of short duration;
- Voltage control for load management purposes;
- Other causes beyond the control of the Cooperative;
- Addition of member equipment without proper notification to the Cooperative;
- Emergency operations;
- The operation of the member’s equipment.

203 Service Interruptions

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.

Such causes include, but are not limited to:

- A.** An emergency of the Cooperative, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electric service to some members or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system.
- B.** An Act of God, or the public enemy, or insurrection, riot, civil disorder, fire, or earthquake, or an order from federal, state, municipal, county or other public authority.
- C.** Making necessary adjustment to, changes in or repairs on lines, substations, and facilities, and in cases where, in the Cooperative’s opinion, the continuance of service to members’ premises would endanger persons or property.

The member will notify the Cooperative immediately of any defect in service or of any trouble or irregularity to the electric supply.

Maintenance work on lines or equipment requiring service interruption will be done, as far as practicable, at a time that will cause the least inconvenience to the members. The members to be affected by such planned interruptions will be notified in advance, if practicable.

204 Right-of-Way Maintenance

The member will grant to the Cooperative, and the Cooperative will maintain right of way according to its specifications with the right to cut, trim and control the growth of trees and shrubbery using mechanical or chemical methods, located within the right of way or that may interfere with or threaten to endanger the operation or maintenance of the Cooperative's line or system. When maintaining right of way, the Cooperative will remove debris at its expense from "clean and maintained" areas; that is, an area which is regularly maintained free of logs and brush, but not the removal of stumps. In other areas, right-of-way debris will be left in the right-of-way limit. Members who desire to have trees trimmed or cut which are close to cooperative power lines, and in the opinion of the Cooperative, pose a possible hazard to the lines, may request assistance from the Cooperative in cutting or trimming. The Cooperative will schedule such work at its convenience.

In instances where easements and/or rights of way granted to the Cooperative prohibit the erection and/or require the removal of buildings, structures or other such similar obstacles within the Cooperative's easements and/or rights of way, the member is required to abide by the terms of all such provisions. In the event violations of such provisions exist, the member is responsible for and shall incur the full costs of the removal of any such obstacles or, alternatively, for the full costs of relocating the Cooperative's facilities (if possible, in the sole opinion of the Cooperative) to remedy the violations.

205 Foreign Electricity, Parallel Service, and Standby Generation

The member will not use the Cooperative's electric service in parallel with other electric service, nor will other electric service be introduced on the premises of the member for use in conjunction with or as a supplement to the Cooperative's electric service, without the prior written consent of the Cooperative.

Where approved standby and/or supplemental on-site generation is provided by the member, parallel operation of the member's generating equipment with the Cooperative's system will not be allowed, without express permission of the Cooperative. The member will install all protective devices specified in the National Electric Code, or the National Electric Safety Code, as applicable. A double throw switch must be used to prevent possible injury to the Cooperative's personnel and equipment by making it impossible for power to feed back into the main line from the emergency generator.

206 Qualifying Facilities and Independent Power Producers

The Cooperative may be required to comply with federal rules and regulations as they relate to qualifying facilities (QF). Any owner/operator of a QF desiring to connect with and sell electric

demand and energy to the Cooperative or its Power Supplier shall notify the Cooperative. The Cooperative will provide the owner/operator with current rates as specified in applicable laws, regulations or guidelines.

Any contracts for the sale of electric demand and energy from a QF will be made between the owner/operator and the Cooperative or the Cooperative's power supplier. The Cooperative will assist the owner/operator in making initial contact with its power supplier.

207 Line and Facilities Conversion and Relocation

Upon request, the Cooperative will, consistent with prudent utility practice, relocate lines, poles, and facilities. The member will be required to pay in advance the cost of relocating lines. Any additional right of way necessary for relocation will be the responsibility of the member to obtain and clear to the Cooperative's specifications.

Where in the opinion of management the best interests of the Cooperative and the member can be served, management may direct poles to be moved at the expense of the Cooperative. Particular consideration will be given where poles in question may constitute a safety hazard to the public.

Poles located in the rights of way of highways, county roads, streets and alleyways will be relocated at the Cooperative's expense after a written request from the proper official except where federal and state aid is involved. The Cooperative may be entitled to reimbursement of such relocation expense as provided by federal, state or local law, which may provide for any such relocation costs, in which case the Cooperative will seek reimbursement for relocation expense.

Poles located on private property, and in the way of proposed road construction, will be moved only after a written request and agreement to pay the cost is made by the proper official.

No commitments or arrangements can be made to relocate poles until a suitable new location for such facilities can be secured.

At a member's request, the Cooperative may convert existing adequate overhead facilities to underground provided that the member pays the Cooperative for the cost incurred.

Under most circumstances, the Cooperative will, upon request, raise or lower lines to afford a safe passage for buildings or equipment being moved. Parties making such request will be required to pay the cost of the labor and any material used, plus an appropriate charge for transportation equipment. Also, such parties will be required to make a deposit, in advance, of the estimated cost to the Cooperative.

208 Energy Management Assistance

Brochures and information on electric appliances and energy use are available upon request through the Member Services Department or from display racks in the office lobbies. Programs are also available for civic and school groups. If interested in a presentation, contact your local office or the Member Services Department in Shelbyville at 684-4621.

Upon request the Cooperative will assist members in sizing electric heat pumps or planning wiring and lighting.

The Cooperative will, at no charge, investigate, render advice and lend assistance needed for all reasonable requests of the member pertaining to the member's account, load management equipment and efficient energy use.

Members may contact the Cooperative if interested in replacing or installing an electric heat pump, electric water heater or other major electric appliance. Details of programs are available upon request at DREMC's offices. Members may qualify for a long-term, low interest loan to finance the installation of a heat pump or other programs to encourage the efficient utilization of electric appliances.

209 Specific Conditions of Delivery

Cooperative will install only such protective devices as in its sole judgment are required to protect its facilities. Cooperative shall not be obligated to provide protective equipment for member's lines, facilities, or equipment, but the Cooperative may provide such protective equipment as it deems necessary for the protection of its own property and operations. The electrical equipment installed by member shall, in the Cooperative's judgment, be capable of satisfactory coordination with any protective equipment installed by the Cooperative. Member shall exercise all reasonable precautions and install all equipment necessary to limit its total demand, to the amount to which it is entitled.

If three-phase way power and energy are supplied to the member, member shall endeavor to take and use power and energy in such manner that the current will be reasonably balanced on the three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than 20 percent, member, upon request, shall make at its expense the changes necessary to correct the unbalanced condition. If said unbalanced condition is not corrected within 60 days, or such other period as may be agreed upon, the Cooperative may thereafter elect to meter the load on individual phases and compute the billing demand as being equal to three times the maximum kilowatt load on any phase. For all purposes hereunder, the load on any phase shall be the load measured by a wattmeter connected with its current coil in that phase wire and the potential coil connected between that phase wire and the neutral voltage point.

The power and energy taken by the member shall not be used in such a manner as to cause, in the sole opinion of the Cooperative, unreasonable fluctuations or disturbances, including, without limitation, harmonic distortion, on the Cooperative's or the Cooperative's power supplier's system. Member shall provide, at its expense, suitable apparatus which will reasonably limit such fluctuations. Member agrees to refrain from starting or running motors, or other equipment, which in the view of the Cooperative, results in excessive voltage drop or voltage disturbances to the power system. Further, member agrees to refrain from starting motors simultaneously on equipment containing multiple motors when practicable to do so.

In the event that, in the sole opinion of the Cooperative, unreasonable fluctuations or disturbances, including, without limitation, harmonic distortion, or excessive voltage drop or voltage disturbances, are caused by member's facilities, the Cooperative shall immediately notify

member of the circumstances, and the Cooperative shall then have the right, after reasonable notice, to discontinue the delivery of power and energy until the condition causing such fluctuations, voltage drops or disturbances is corrected by member. Cooperative shall give member written notice of these circumstances in addition to the above-mentioned notice, but the requirement of providing such written notice shall not limit or delay the Cooperative's right to discontinue service to member. Despite such discontinuance of service, member shall be obligated to pay the Cooperative the amounts due for power and energy, including the minimum bills for such power.

Member agrees that during periods of extreme weather or electric system emergency, member will make every effort to minimize impact to the Cooperative. Member agrees to install shunt capacitors in such capacity and switched in such a manner as necessary to maintain a power factor at all times between 85 per cent lagging and 97 percent leading.

300 BILLING

Unless specifically required by additional contract, billing will generally be rendered monthly. The monthly statement will include the applicable billing quantities and previous 12 month usage history when available. Additional usage history is available upon request if applicable.

301 Responsibility to Read Meter

Meters will be read and bills rendered by the Cooperative. When a meter cannot be read on or about the scheduled date, the meter reading and corresponding use for the period will be estimated based on prior usage. Accounts billed on an estimated basis will be adjusted as necessary when actual readings are obtained. An explanation of the meter-reading process can be obtained from the Cooperative.

302 Due Dates and Failure to Pay

Electric bills will be rendered monthly and shall be due once mailed from a United States Post Office. Failure to receive a bill will not release the member from payment obligation, nor will failure to receive a bill release obligation of a late payment charge.

The net payment period for all classes of members will be not less than 15 days after the day the bill is mailed to the member. The late payment charge for all classes of service will be included in the gross amount listed on the bill and will be computed as a charge of 5 percent on the first \$250 of the unpaid portion of the bill plus one (1) percent of the unpaid portion exceeding \$250, excluding other charges and sales tax. The gross amount will be charged for any electric bill amount paid after the past due date printed on the bill.

Remittances received by mail after the last date for payment of the net bill amount will not be subject to a late payment fee or other additional charges if the incoming envelope bears the United States Postal Service date stamp of said last date or any date prior thereto.

In the event that the assigned due date does not meet a residential member's needs, the member may choose one of four customized dates for an additional \$5.00 per month. This charge covers the special equipment and administrative charges specific to the program. Service charges may apply to cover the cost of setting a new meter, if required. The member may only change their due date one time within a twelve month period and must have a zero balance on the day that the due-date change is requested. This zero balance will prevent the member from receiving a large bill after the date change. Standard disconnect, late payment and termination policies apply.

When in the opinion of the Cooperative late charges have been inappropriately assessed, they may be waived.

When it is necessary to make a trip to collect a delinquent bill, a service charge will be assessed for each separately identified account for each trip made.

303 Multiple Services

If a member has more than one account, the Cooperative reserves the right to apply any payment made by the member to any account owed to the Cooperative by the member. All funds received will first be applied to any outstanding service charge on the delinquent account(s) with the remaining funds to be applied against the electric service bill(s).

304 Method of Payment

Payments may be made through any of the district offices of the Cooperative. Payments may be made:

- in person,
- in the after-hours deposit facility (check or money order only),
- by mail (check or money order only),
- by bank draft,
- electronically (when offered by the Cooperative),
- or at any participating banks within the service area (but only if paid by the date due).

A levelized billing procedure is offered by the Cooperative for residential members who request levelized payments throughout the year by completing and signing the Cooperative's Levelized Billing Agreement.

An equal monthly payment plan is offered by the Cooperative for residential members who request this payment plan. The sign-up period for this plan is March and April, only.

305 Returned Payments

When checks, e-checks, credit card payments, credit card drafts, bank drafts or electronic payments are received for payment of a member's electric account that is later returned to the Cooperative by the bank because of "Insufficient Funds" or "No Account," or because the member issued a "stop payment" order on the payment, a handling charge will be added to the

applicable account for each time the payment is returned as not good. The total of all charges then owed is to be automatically treated as a delinquent bill.

Generally, when two “bad payments” submitted by the same person or firm are returned to the Cooperative by the bank within a six month period, no more non-cash payments will be accepted from that member as payment of an electric bill except when, in the opinion of the Cooperative, circumstances warrant.

306 Corrections for Errors

Adjustments to the electric bill due to inaccurate metering equipment, errors in meter reading or billing will be made promptly. Subject to statutory or regulatory limitations, the Cooperative will issue immediate credit when it is in error and the member will be expected to pay any appropriate additional charges as billed. Payments to the Cooperative may be made in installments over the same period of time during which the error occurred.

If the interval during which the error occurred can be reasonably determined, then the billing adjustment will be based on an appropriate estimation of usage and/or demand for the determined interval period as can be reasonably calculated for undercharged or overcharged amounts.

If the interval during which the error occurred cannot be determined, then the billing adjustment will be based on an appropriate estimation of usage and/or demand for a given period of time. For members having a demand of less than 50 kW, that period will not exceed 150 days for undercharged or 12 months for overcharge. For members having demand more than 50 kW, that period will not exceed 12 months.

When a meter stops or fails to register correctly, or if the calibration is found to be in error of more than plus or minus two percent (2%), the member’s account will be adjusted accordingly. The Cooperative will periodically test and inspect its meters.

A member may request in writing that a meter be tested. A report will be supplied to the member within a reasonable time after the completion of the test. A meter test charge, as specified in the Fee Schedule, Appendix A, will be imposed if the meter is found to be within plus or minus two percent (2%).

307 Credit

At the discretion of the Cooperative, credit may be extended to members in accordance with the following standards:

A. When it is determined that enforcement of the policy will constitute an undue hardship in relation to the amount of the delinquent bill, and that extension of credit for a fixed time, or arrangement for installment payment of the bill will not unduly impair the Cooperative’s ability to effectuate final collection of the bill; or

B. When the member involved establishes to the satisfaction of the Cooperative that the member's failure to pay the bill has resulted from a mistake on the Cooperative's part or a mistake for which the member was not responsible; or

C. When the involved bill is a final bill covering service to a farm, home, or other residential structure and the main building thereof has been destroyed by fire not caused by act of arson on the part of the member or the member's family; or

D. When disconnection of service might impose immediate danger to the member or other persons due to illness or some hazardous condition, or when the household is immediately and directly affected by a death.

The Cooperative will work with community groups and agencies of local, state and federal government to aid qualifying members who establish the need for help in paying their electric bill.

400 DISCONNECTION AND CONNECTION

401 Disconnection of Service by Cooperative

Electric bills will be rendered monthly and shall be due once mailed from a United States Post Office. The following due process applies to termination for past due electric accounts:

- A notice that service is subject to termination for non-payment will be printed on the monthly bill.
- A notice that service is subject to termination for non-payment will be printed and mailed no later than five days after the past due date for each member's account that remains unpaid a minimum of three days following the past due date. For purposes of this section, a sufficient reasonable prior written notice to the Member shall include a notice separate from the bill, the non-payment of which will result in termination. Forms of notice may include, electronic notification including text messages and email, door-hangers, and written notice sent to the Member by way of the U.S. Postal Service.
- Any member account which remains unpaid 10 days after the past due date will be placed on a collection list and become subject to termination.
- The mailing of electric bills and/or notices shall be regarded as delivery to the member and alleged or actual non-receipt of mailed bills and/or notices does not excuse the member of the requirement to render payment in a timely fashion nor does such preclude termination of electric service.
- Electric service to any member may not be terminated for non-payment of bill except after giving reasonable prior written notice (including notice of available rights and remedies).
- It is the policy of Duck River Electric Membership Corporation to discontinue the service to utility consumers for reason of non-payment only after notice and an meaningful opportunity to be heard on disputed bills by the District Manager at the local office.

Disconnection by the Cooperative of electric service to residential members of the Cooperative for non-safety/non-emergency reasons generally shall not be done when:

- The Cooperative uses a fee-based weather service. If the forecast for that service calls for a temperature locally of less than 30 degrees F over the next 24 hour (Monday-Thursday disconnection) or 72 hour (day before holiday or Friday disconnection) period.
- The Cooperative uses a fee-based weather service. If the forecast for that service declares the area in which disconnections will take place, to be under an Extreme Heat Advisory over the next 24 hour (Monday-Thursday disconnection) or 72 hour (day before holiday or Friday disconnection) period.
- The member receiving electric service at the location subject to disconnection, provides proof that a resident of the location would experience a life threatening condition upon termination of electric service. Documentation by a licensed medical practitioner, such as a letter on the practitioner's letterhead, must be furnished to the Cooperative. The document shall state the patient's name, address and an explanation of the medical need for electric service. Conditions such as CPAP and refrigeration of medical supplies are not qualifying hardships.

Where disconnection is postponed due to an extreme weather condition, postponement will not extend beyond the extreme weather condition.

Where disconnection is postponed for a documented medical hardship, postponement will not extend beyond one week to allow the member to make payment or alternate shelter arrangements.

Consumers who are experiencing hardship or who have extenuating circumstances should so advise, in person, the District Manager prior to the final due date.

The Cooperative will work with community groups and agencies of local, state and federal governments to aid qualifying members who establish the need for help in paying their electric bill.

The Cooperative may refuse to connect or may disconnect service immediately and without notice for the following reasons:

- Discovery of meter or load management equipment tampering or diversion of current.
- Use of power for unlawful, unauthorized or fraudulent reasons.
- By order of public authority.
- Discovery of an electrical condition determined by the Cooperative to be potentially dangerous and eminently hazardous to life or property of the Cooperative or the public.
- For repairs, emergency operations, unavoidable shortages, or interruptions in the Cooperative's supply source.

The discontinuance of service by the Cooperative for any cause as stated in this rule does not release member from his obligation to the Cooperative for the payment of minimum bills as specified in application of member or contract with member.

Waiver of default – Any delay or omission on the part of the Cooperative to exercise its right to discontinue service, or the acceptance of a part of any amount due, will not be deemed a waiver by the Cooperative of such right if the member continues to be or again becomes non-compliant with the Service Agreement.

402 Reconnection of Service by Cooperative

Subsequent to the disconnection of electric service by the Cooperative for reasons listed in the previous section, service may be reconnected under the following conditions:

- The conditions causing the disconnection are corrected.
- Payment has been made for the cost of repair or replacement of the Cooperative's meter or any other properties, if tampered with or otherwise damaged or destroyed.
- When the service has been discontinued for non-payment of a bill or unauthorized use of power, the Cooperative will have the right to refuse service to the same member or to any other applicant who is a member of the member's immediate household until the infraction is corrected, credit is re-established by the member and all applicable amounts have been paid.
- The member has agreed to comply with reasonable requirements to protect the Cooperative against further infractions.
- A reconnection fee and/or any other applicable service charges and security deposits, as specified in the Fee Schedule, have been paid.

403 Termination of Service by Member

For termination of service, the member should give a minimum of one business day notice prior to requested disconnection unless a written contract specifies otherwise.

A member may voluntarily withdraw in good standing from membership under the following conditions:

- Payment of any and all amounts due the Cooperative, and cessation of any noncompliance with the membership obligations, all as of the effective date of withdrawal; and either removal to other premises not furnished service by the Cooperative, or ceasing to use any central station electric service at any of the premises to which such service has been furnished by the Cooperative pursuant to the service agreement; and

- Upon such withdrawal, the member will receive a refund of the balance of the membership fee and of any security deposit held by the Cooperative after being applied to the member's final bill.

500 COOPERATIVE AND MEMBER OBLIGATIONS

501 Approval and Cooperative Board's Authority

The Cooperative's Board of Directors is the governing body and the final authority for making and revising these policies. These policies and rate schedules are on file in the Cooperative's headquarters office, and such filing and publishing will constitute official notice to all members of such changes. Failure of the Cooperative to enforce any of the terms of these policies will not be deemed as a waiver of its right to do so.

In case of conflict between any provision of the Bylaws and these policies, the Bylaws will prevail. In case of conflict between any provision of a rate schedule or addendum and of these policies, the rate schedule or the addendum will prevail.

502 Responsibility of Member and Cooperative

Electric service is supplied by the Cooperative and purchased by the member upon the express condition that after it passes the point of delivery it becomes the property of the member to be used only as provided in the Service Agreement. The Cooperative will not be liable for loss or damage to any person, property, business losses or consequential damages whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electric service after it passes the point of delivery or for any loss or damage resulting from the presence, character, or condition of the wires or equipment of the member or for the inspection or repair of the wires or equipment of the member.

It is understood and agreed that the Cooperative is merely a supplier of electric service, and the Cooperative will not be responsible for any damage or injury to the buildings, motors, apparatus or other property of the member due to lightning, defects in wiring or other electric installations, defective equipment or other cause not due to the negligence of the Cooperative. The Cooperative will not be in any way responsible for the transmission, use or control of the electric service beyond the delivery point, except as it might apply to the use of load management programs.

The Cooperative'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, inspecting or exchanging any or all equipment belonging to the Cooperative.

In maintaining the right of way, the Cooperative will not be liable for damage to trees, shrubs, lawns, fences, sidewalks or other obstructions incident to the installation, maintenance or replacement of facilities, unless caused by its own negligence.

All meters, service connections and other equipment furnished by the Cooperative will be, and will remain, the property of the Cooperative. The member will not interfere with, or alter, the Cooperative's meters, seals, or other property, or permit the same to be done by other than the Cooperative's authorized agent or employee. Damage caused or permitted by the member to the Cooperative's property will be paid for by the member.

No person or organization will install or attach any wire, sign(s) or other material or equipment to any of the Cooperative's poles, conductors or other fixtures, except with express written consent of the Cooperative.

To the extent that members may require electric service at a level of less variation allowed under the standard service agreement, any additional equipment required by the member to achieve the necessary level of power quality will be at the member's expense. At the member's request and expense the Cooperative will assist in the technical development of electric service with improved power quality characteristics.

503 Complaint Procedure

A full and prompt investigation will be made of all service and billing complaints. The recommended order for handling quality-of-service or rate complaints is as follows:

- A.** File a complaint at the Cooperative's local office and allow reasonable time for investigation, advice, and action. If the results are not satisfactory, then:
- B.** File a complaint with the Cooperative President and Chief Executive Officer, providing information and results from the initial complaint and/or naming the Cooperative's local personnel who handled the complaint. Allow reasonable time for the President and Chief Executive Officer to act. If the results are still not satisfactory, then:
- C.** File a written complaint with the Cooperative Board of Directors. Allow reasonable time for the Board to schedule the item at a regular meeting. Allow reasonable time for the Board's orders on the matter to be carried out.

600 LINE EXTENSIONS

Duck River Electric Membership Corporation will make service available to the largest practical number of applicants within its service area. The overall feasibility of each individual extension must be considered responsibly to keep the Cooperative on a sound financial basis.

Line extension charges may be required to provide reasonable assurance of adequate revenues to amortize the Cooperative's investment, operating and maintenance costs. Factors evaluated will include the amount of new investment and associated operating and maintenance costs in comparison to the applicant's power requirements, the anticipated duration of service (i.e., whether permanent, uncertain or short-term), and the applicant's financial responsibility related to business or occupation risks. Accordingly, the Cooperative reserves the right to alter policy provisions of succeeding paragraphs if, in the sole judgment of management and/or the Board of Directors, increased financial security is required.

The objective of the Cooperative line extension policies is to ensure a balance between fairness to prospective members desiring the extension of service and to all existing members who provide the funds to operate the Cooperative, including paying for the extension of lines to prospective new members where such prospective new members are not required to, or pay only a portion of, the costs of extending service to new members.

Each section below addresses specific requirements for a line extension to various types and classes of service except Sections F and G which have provisions that may apply to any or all line extensions.

601 OVERHEAD LINE EXTENSIONS

A. Extensions of a Temporary Nature or to Temporary Members – Standard overhead extensions to serve temporary members will be made only if the applicant pays the total estimated cost of installing and removing all electric facilities required for such service.

Single phase temporary service for construction purposes, which will result in a permanent service location, will be charged according to the Fee Schedule, Appendix A, when such extension requires no more than a service drop and transformer.

B. Extensions to Private Use Residential and Other Non-Commercial Loads

1. Individual (i.e. single family) Residential Dwellings – Standard single phase overhead extensions to serve an individual residence constructed so as to be an enduring, permanent-type dwelling/home will be made at no cost to the applicant, provided the construction does not require a plant investment of more than two spans of conductor (up to two poles maximum), excluding transformer, meter and service.

An enduring, permanent-type dwelling/home shall be on property owned or mortgaged by the applicant and shall have: potable water under pressure into the dwelling with permanent type plumbing, an appropriate permanent sanitary waste system, and be accessible by an all-weather road.

In the event that the service extension requires more than two spans but less than eleven spans of conductor, an estimated cost of construction beyond two spans shall be paid by the applicant as a contribution of aid-in-construction, and must be paid prior to construction of any electric facilities.

When the extension requires eleven or more spans the contribution of aid-in-construction will include both initial investment and an amount sufficient to offset anticipated long term operating and maintenance expenses for facilities beginning with the eleventh span.

Should additional members be subsequently added to any such service extension, the Cooperative will provide appropriate refund credits for each new member added in accordance with paragraph F of this policy.

The member shall own the service conductors for service entrances over 600 amp. Residences that require three-phase service shall be treated as commercial installations as specified in Paragraph C 4 below.

2. Miscellaneous Non-Commercial Loads (e.g. outbuildings, pumps, etc. used for non-business purposes) - Standard single phase overhead extensions to serve loads associated with a residence, or a non-commercial structure that does not meet the definition of an enduring, permanent type dwelling in Paragraph B1 or any other load of a non-commercial nature including shops, pumps, outbuildings and other similar service purposes will be made at no cost to the applicant provided the construction does not require a plant investment of more than a service drop (excluding an anchor-guy, transformer and meter).

Any estimated costs greater than the above shall be paid by the applicant as a contribution of aid-in-construction, and must be paid prior to construction of any electric facilities. For consideration of refund credits for members subsequently added to this extension, see paragraph F.

In the event that the service extension requires more than a service drop but less than five spans of conductor, an estimated cost of construction above the cost of the service drop shall be paid by the applicant as a contribution of aid-in-construction, and must be paid prior to construction of any electric facilities.

When the extension requires six or more spans the contribution of aid-in-construction will include both initial investment and an amount sufficient to offset anticipated long term operating and maintenance expenses for facilities beginning with the sixth span.

3. Seasonal Non-Commercial Loads - Standard overhead extensions for seasonal service to non-commercial members will be offered in accordance with the rates and conditions outlined in the General Power Rate Schedule. Extensions will generally require written contracts and additional charges (e.g., contribution in aid-of-construction, facilities charges, etc.) to provide recovery of investment and operating and maintenance costs.

C. Extensions to Loads of a Commercial Nature (including residential developments for resale or rent)

1. Mobile Home Parks or Subdivisions - Standard overhead extensions to serve mobile home parks or subdivisions require a contribution of aid-in-construction by the owner and/or developer. The contribution of aid-in-construction will include both initial investment and an amount sufficient to offset anticipated long term operating and maintenance expenses. An acceptable plat or drawing of the park or subdivision must be submitted by the owner or developer, from which the Cooperative will develop electric service plans, determine estimated costs, and prepare contractual requirements as applicable. In order to assure recovery of its investment, the Cooperative may require, in its sole judgment, sufficient evidence of the developer's intent and ability to complete the project, including but not limited to, evidence of the final receipt of any and all necessary governmental approvals prior to construction of electric facilities.

2. Subdivision for Residential Dwellings - Standard overhead extension to residential subdivisions with restrictions for developing enduring, permanent-type homes will be made only where a properly surveyed and recorded plat/drawing of the subdivision is provided by the owner and/or developer. Developments must have a minimum of ten (10) lots to be classified as a subdivision. A blanket subdivision easement suitable for recordation must be executed by the owner prior to sale of any individual lots. In order to assure recovery of its investment, the Cooperative may require, in its sole judgment, sufficient evidence of the developer's intent and ability to complete the project, including but not limited to evidence of the final receipt of any and all necessary governmental approvals prior to construction of any electric facilities. The estimated costs of new construction shall be paid by the owner/developer as a contribution of aid-in-construction prior to construction of any electric facilities. The development cost will include new electric distribution facilities inside and outside the development required to provide (primary and secondary) service to each lot of record in the subdivision. Additionally, improvements required to increase the capacity of the existing distribution system outside the development will be paid by the Cooperative so long as those system improvements do not exceed \$100,000. If the expenses for such improvements outside the development exceed \$100,000 the Board of Directors will consider approval of the required aid-in-construction and any potential refunds taking into consideration the following:

- Existing density in the area of the development;
- Projected growth outside the development;
- Existing needs for system improvements in the area;
- Likelihood of timely development within the proposed subdivision;
- Creditworthiness of the developer;
- Willingness and ability of the developer to provide the Cooperative requested surety, if any.

For a period of five years, a refund credit, in the amount outlined in the following table, per completed residential home will be provided to the owner/developer under the following conditions:

- a. Said completed residential home shall be in compliance with the restrictive covenants of the subdivision development;
- b. Said residential home must be in substantial active use as a residential dwelling, and the owner or tenant thereof must request and receive regular electrical service from the Cooperative with billings for electrical usage in amounts consistent with reasonable expectations for usage in a dwelling of the same size, design and character.
- c. Owner/developer shall request in writing said refund credit from the Cooperative;
- d. Said refund credit is not transferable or assignable;
- e. Refund credits shall not exceed the total amount of any contribution of aid-in-construction paid by the developer;
- f. Occupied homes in the subdivision produce adequate revenue to cover operating and maintenance costs associated with the construction required to serve the subdivision.

The number of homes required to cover operating and maintenance expenses will be calculated as follows:

$$N = \frac{AIC \times 12\%}{\$250}$$

Where:

N = Number of Homes

AIC = Aid-in-Construction

12% = DREMC's estimated annual O&M costs

\$250 = DREMC's expected average net revenue per home

Example: Developer pays \$5,000 aid-in-construction for a 10 lot subdivision.

$$N = \frac{\$5,000 \times 12\%}{\$250}$$

N = 3

Therefore the developer will be eligible for a refund for lots four through ten if the homes are occupied within five (5) years.

Refunds to the developer will be paid according to the schedule below:

Year	Refund
1.	\$1,000
2.	\$ 800
3.	\$ 600
4.	\$ 400
5.	\$ 200

3. Land Developments – Standard overhead extensions to serve large scale commercial and/or recreational developments require special approval and must be submitted on properly surveyed plats/drawings. The Cooperative will develop electric service plans, determine estimated extension costs and any contribution of aid-in-construction, and prepare contractual arrangements as applicable. Any contribution of aid-in-construction must be paid prior to construction of any electric facilities. In order to assure recovery of its investment, the Cooperative may require, in its sole judgment, sufficient evidence of the developer's intent and ability to complete the project, including but not limited to evidence of the final receipt of any and all necessary governmental approvals prior to construction of electric facilities.

4. Commercial and Industrial Members - Standard overhead extensions to commercial and industrial members will be considered individually and appropriate contractual arrangements made. The applicant will be responsible for providing specific information including business identification/address (including corporate information), nature of business operation, connected electrical loads, operating service characteristics (i.e., desired operating voltage, phase-configuration, hours of operation/production, etc.), main service panel data, and point of delivery location. The Cooperative will estimate all costs of construction and applicable operating and maintenance expenses to determine contractual arrangements necessary to recover such costs within a five (5) year contract period (or shorter period for loads not expected to be in place for five (5) years). In making such calculations the expense for transformers and any other equipment that, in the Cooperative's judgment, could be utilized at other locations will be prorated according to its expected life. Any required contribution of aid-in-construction to be paid by the applicant must be paid prior to placement of a procurement of materials order and construction of any electric facilities by the Cooperative. The applicant must grant to the Cooperative an easement providing for the location, protection and maintaining of electric facilities. Execution of Industrial Power Contracts will be required on all applicants whose demand requirements exceed one hundred fifty (150) kilowatts; further, the Cooperative may require contracts for applicants whose demand requirements are less than one hundred fifty (150) kilowatts.

5. Apartments, Condominiums & Multiple Housing Units – Standard overhead extensions to serve apartments, condominiums, and other multiple housing units will be made at no cost to the owner and/or developer provided the estimated cost of construction (excluding transformers and meters) does not exceed \$750.00 times the number of individual housing units.

When the extension cost exceeds \$750 per unit, the contribution of aid-in-construction will include both initial investment and an amount sufficient to offset anticipated long term operating and maintenance expenses on the facility cost exceeding the \$750 per unit allowance.

When applicable, the contribution of aid-in-construction must be paid prior to construction of electric facilities. Refund credits for members subsequently added to this extension will be in accordance with paragraph F of this policy.

6. Commercial Seasonal Service – Standard overhead extensions for seasonal service to commercial power members will be offered in accordance with the rates and conditions outlined in the General Power Rate Schedule. Extensions will generally require written contracts and additional charges (e.g., contribution of aid-in-construction, facilities charges, etc.) to provide recovery of investment and operating and maintenance costs.

D. Non-Standard Service – Extension requests of a non-standard service nature will require conferring in advance with the Cooperative regarding the form and type of service needed. Before the applicant proceeds with the purchase of equipment or wiring in such cases, said applicant should contact the Cooperative. The Cooperative will furnish information in writing on the character of service available, location of the Cooperative's power lines, and the Cooperative's ability to meet special requirements. Nothing herein contained shall obligate the Cooperative to provide such special service.

E. Outdoor Lighting – Outdoor lights are available to both residential and non-residential members for a flat monthly rental fee based on fixture and wattage. Members requesting outdoor lighting service will be required to sign a twelve (12) month service contract. Outdoor lighting will only be installed at locations where low voltage service exists. Special outdoor lighting requests will be considered individually with applicants responsible for such contracts and additional charges as may be required to provide recovery of investment and anticipated operating and maintenance costs.

F. Refund Credits – Except as otherwise provided in the specific sections above, in which case only the refund provisions described in those sections shall apply, refund credit not to exceed the total amount of the contribution of aid-in-construction paid by the applicant will be allowed based on the number of members subsequently added to the electric extension by means of a service drop, underground service, or a primary tap. Only one (1) refund credit per primary tap will be issued, regardless of tap length or subsequent extension to said tap. The amount of the refund credit is listed in the following schedule. Only a one-time credit for each new member will be allowed. Any refund credit situation not covered by this schedule will be calculated individually.

Policy Paragraph	Years After Date of Agreement	Refund per Additional Residential Member	Refund Credit per Additional Member per Paragraph B
B1	0-5	\$400	\$175
B2	0-5	\$400	\$175
C5	0-5	\$400	\$175

G. Miscellaneous Provisions Related to Extensions of Service

1. Point of Delivery – Except as may be otherwise provided by written agreement between the Cooperative and applicant, the point of delivery for overhead service shall be at the point the applicant’s and/or member’s service entrance conductors are connected to the Cooperative’s service drop conductors or the low voltage terminals of the transformer.

2. Right-of-Way Clearing – All right of way clearing for new line extensions will be cleared (normally to a width of 20 feet on each side of the center line of the proposed line – a total of 40 feet – extending from the ground and vertically upward therefrom plus the removal or appropriate trimming of any “danger” trees deemed likely to fall into or otherwise interfere with the electrical facilities even though such may lie outside the specified width of the right of way; if a different width is allowed or needed this will be specified by the Cooperative at that time) by the applicant to the Cooperative’s specifications. If, in the opinion of management, it becomes necessary for the Cooperative to clear the right-of-way, a charge based on the estimated cost of clearing will be required from the applicant prior to clearing; after clearing, the actual cost of clearing will be obtained and the Cooperative will reconcile with the applicant any differences between estimated and actual clearing costs.

3. Additional Charges – Additional charges may be applied to member as a contribution of aid-in-construction to cover extraordinary expenses including, by way of example, permits or condemnation expenses. Where applicable, the Cooperative’s legal expenses will be included in said charges. Generally, estimated costs will be required in advance, with an adjustment, to reflect actual cost, made when actual costs are known. A member may be required to sign an agreement to reimburse the Cooperative for any and all such expenses in advance of the cooperative incurring any such extraordinary expenses or in advance of initiating any condemnation or other similar proceedings.

4. Contributions, Fees and Charges – No payments made by an applicant or member as contribution of aid-in-construction, service fees, or facilities charges shall entitle said applicant or member to ownership rights, rights of exclusive use, rights to restrict access by the Cooperative employees in the performance of their duties, the right to alter the Cooperative’s electric facilities, or the right to hinder the Cooperative from serving other members via those electric facilities, except as may be otherwise provided by written agreement between the Cooperative and applicant.

602 UNDERGROUND ELECTRIC SERVICE

Underground electric service is generally more expensive to the Cooperative than service provided by standard overhead construction methods. Thus, underground service may be provided only if deemed economically and physically feasible in the sole opinion of the Cooperative. To keep the Cooperative on a sound financial basis, charges may be required to provide reasonable assurance of adequate revenues to amortize the Cooperative’s investment.

Where underground service is mutually agreeable to the Cooperative and the member, all provisions outlined in section 601 are applicable. Additional conditions for underground service are outlined as follows. The Cooperative reserves the right to alter policy provisions of succeeding paragraphs if, in the sole judgment of management and/or the Board of Directors, increased financial security is required.

Members requesting underground service to new facilities will be provided underground low voltage service extensions at no charge (except as specified below) to the maximum service length as defined by sound engineering practices (generally 300 feet from the low voltage terminals of the transformer). When any high voltage underground facilities are requested, the member will be required to pay, in addition to any aid-in-construction that would have been required under section 601 had the facilities been provided overhead, an additional charge reflecting the higher incremental initial investment cost by the Cooperative to provide underground facilities. If in the opinion of the Cooperative, however, the revenues from a new facility are sufficient to amortize the Cooperative’s investment and future operation and maintenance costs, any such additional charge arising under this paragraph may be partially or completely waived.

The applicant shall be responsible for opening and closing all trenches, furnishing all conduits needed for the Cooperative’s riser pole, furnishing and installing all conduits in the trench route and at the meter base (complete with pull-wire), and any concrete or other protective materials needed, all in accordance with specifications furnished by the Cooperative. Low-voltage service conductors will be furnished and installed by the Cooperative. The applicant must grant to the

Cooperative an easement providing for the location, protection and maintenance of electric service facilities, and providing further that no trees will be planted, buildings erected over, or deep excavations made on the easement without coordination with the Cooperative. Easements must be suitable for recordation.

A. Underground Line Extension to Residential Subdivision/Mobile Home Parks/Apartments/ Condominiums/Multiple-Occupancy Developments (High Voltage) –

The developer will be responsible for providing a properly surveyed and recorded plat or drawing of the subdivision, park or development. In order to assure recovery of its investment, the Cooperative may require, in its sole judgment, sufficient evidence of the developer's intent and ability to complete the project, including but not limited to evidence of the final receipt of any and all necessary governmental approvals prior to construction of any electric facilities. Utility easements satisfactory to the Cooperative shall be clearly identified on subdivision lot lines or development property corridors and a blanket easement executed by the owner will be provided to the Cooperative. The developer will be responsible for opening and closing trenches, furnishing and installing all conduits (complete with pull-wires), furnishing and installing all trench-bedding materials, and installing/providing any concrete required, all in accordance with specifications and plans furnished by the Cooperative. Multiple utility (electric, telephone, CATV, water, sewer, or other) coordination in advance will be the responsibility of the developer prior to beginning any construction activities. Joint-use of trench-routes will be generally prohibited.

B. Underground Line Extension for Commercial & Industrial Service – The applicant will be responsible for opening and closing trenches, furnishing and installing all conduits needed (complete with pull-wires), installing any concrete pads required, furnishing and installing trench-bedding materials, and any concrete or other paving work required, all in accordance with specifications and plans provided by the Cooperative. The Cooperative will not furnish transformers for location inside an applicant's building. Execution of Industrial Power Contracts will be required on all applicants whose demand requirements exceed fifty (50) kilowatts; however, the Cooperative may require contracts for applicants whose demand requirements are less than fifty (50) kilowatts.

Low voltage underground service conductors will be provided for services up to 400 Amp single phase or 200 Amp three phase 120/240 Volt or 120/208 Volt. All other services will be metered at the low voltage terminals of the transformer(s), and the member shall provide the service conductors beyond the metering point.

603 IDLE FACILITIES

Where a line is not used and a minimum bill not paid for a period of twelve (12) months, the owner should be notified (if address is known) that the line will be removed unless service is taken and/or a flat charge minimum bill (formula below) is paid continuously at that location.

Monthly minimum bill will be based on one-half of the annual fixed cost divided by twelve or the rate schedule minimum bill whichever is higher.

If the line is removed and service is required back at the location at a later date, service can be provided in accordance with the extension policy in effect at that time.

700 SERVICE CLASSIFICATION, RATES AND REGULATIONS

701 MEMBER RATES AND CLASSIFICATIONS

Member accounts will be classified according to the current schedule of rates and classifications in effect at the Cooperative, on a non-discriminatory basis.

702 SERVICE RE-CLASSIFICATION

When conditions arise whereby a member's rate classification is to be changed, the district manager shall approve the change and the member is to be notified in writing. The exception is when the rate classification is changed due to the level of energy use by the member in which case the rate classification will automatically be ratcheted up or down in the rate structure.

703 LOCATION OF ELECTRIC SERVICE

The Cooperative has the right, in rendering service, to install poles, lines, and transformers or other equipment on member's property, and to locate delivery point and meter thereon, as the Cooperative decides this should be done, considering among other things economics of construction, adequacy of electric service, aesthetic appearance, and the desires of the member.

The point of attachment furnished by the member must be located at a point where the Cooperative's facilities can be constructed at reasonable cost. Any deviation from this principle will be at the member's expense. In all cases sound engineering practices will be followed in the construction of service extensions.

The Cooperative will not install electric meters on inside locations. All meter centers shall be located or spotted by a duly authorized representative of the Cooperative.

704 SUPPLEMENTAL WRITTEN CONTRACT

A supplemental written contract on a form provided by the Cooperative may be required from any applicant whose estimated demand exceeds fifty (50) kilowatts. In addition, a contract may be required from any applicant required to pay a contribution of aid-in-construction, a facilities rental fee, or post a non-cash security deposit or for other reasons as may be deemed appropriate by the Cooperative.

**APPENDIX A
FEE SCHEDULE**

MEMBERSHIP FEE	\$ 10.00
CONNECTION FEE	\$25.00
DISCONNECT FOR NON-PAYMENT	\$25.00
RECONNECT FOR NON-PAYMENT	\$25.00
RECONNECT FOR NON-PAYMENT AFTER HOURS (ADDITIONAL FEE).....	\$25.00
SERVICE CHARGE (PER OCCURRENCE DURING NORMAL BUSINESS HOURS).....	\$25.00
Extension of normal working hours.....	\$ 55.00
Outside of normal working hours	\$100.00
RETURNED PAYMENT FEE.....	\$30.00
METER TEST FEE	\$ 25.00
METER TAMPERING FEE (MINIMUM).....	\$150.00
TEMPORARY SERVICE FEE (MINIMUM)	\$100.00
CREDIT CHECK	\$ 5.00
 METER RING SURGE SUPPRESSOR...	
Monthly Rental *	\$ 5.00
Set Fee (If Applicable).....	\$25.00
 *Plus Applicable Tax	