



Duck River Electric Membership Corporation Service Policies

MEMBERSHIP AGREEMENT

These Service Policies, as part of the Service Agreement between the Cooperative 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 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.

STATEMENT OF NONDISCRIMINATION

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.

1. APPLICATION FOR MEMBERSHIP

Prospective members wishing to establish electric service must meet the Cooperative's requirements for establishment of service or contract before the Cooperative will supply service. 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 in the event religious beliefs prevent the establishment of a "membership") must be completed, signed, and submitted, accompanied by a membership fee (application fee for non-member) of \$10.00. A non-refundable connection fee, as specified in the Fee Schedule (Appendix A), will be required.

2. ACCOUNT SECURITY

Account security or suitable guarantee will be required of any member before electric service is supplied. The amount of account security for residential members will be based on credit risk as determined by a credit evaluation and will not exceed twice the highest estimated monthly bill for the residential rate classification.

Members with an "elevated credit risk" will pay account security equivalent to 75% of the seasonal peak load for the location, which is defined as the sum of the two highest monthly bills. Residential members with a "below average" credit rating will pay account security in the amount of \$300.00. Members with an "average" credit rating will pay account security in the amount of \$150.00. Residential members with "above average" credit rating will not be required to provide account security. The account security for a pre-paid billing residential service applicant (permanent, manufactured, or modular home) will be \$50.00.

Where a billing history does not exist, the account security will be estimated based on projected demand and energy loading for the member. Other guarantees deemed acceptable by the Cooperative include a surety bond and irrevocable letter of credit furnished by an accredited banking institution. Upon termination of service, the Cooperative may apply the account security against any unpaid bills of member, and if any balance remains after such application is made, said balance shall be refunded to the member.

For residential members, the Cooperative may also refund or apply the account security against unpaid bills after the member has made 24 consecutive, on-time monthly payments, and has not had any payment amount returned or refused by their financial institution for "insufficient funds". Upon written request by the member, or at the discretion of the Cooperative, the account security requirement may be re-evaluated. If member requests any such account security re-evaluation more than annually, the member may be billed for actual administrative or processing costs. Account security held more than six (6) months shall earn interest yearly based on a rate approved by the Cooperative's Board of Directors.

No additional account security 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.

General service and industrial members will pay account security of approximately two times their anticipated monthly bill. This amount may be estimated using information from similar electric accounts, electric load and usage information supplied by the member, and/or previous usage history at the specific locations where service is being requested.

The Cooperative reserves the right at any time to re-evaluate the adequacy of account security and/or credit worthiness of the member and adjust the account security accordingly.

3. POINT OF DELIVERY

The point of delivery is the point, as designated by the Cooperative, on the member's premises where current is to be delivered to the building or premises. All wiring and equipment beyond this point of delivery shall be provided and maintained by the member at no expense to the Cooperative.

4. BILLING AND PAYMENTS

Bills will generally be rendered monthly and will be due not less than 15 days from the date the bill is mailed or electronically transmitted by the Cooperative. Payments received after the due date stated on the bill shall be subject to a late payment charge not to exceed 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. Failure to receive the bill will not release the member from payment obligation. In the event the bill is not paid by the due date specified on the bill, service may be disconnected as set out in the "Termination of Service" section herein.

Payment returned to the Cooperative from the member's banking institution as having "insufficient funds", "no account", "stop payment", or the like, will be subject to a handling charge for each time the payment is returned as unsuccessful. Generally, two instances of "bad payments" submitted by the same member within a six-month period will result in disqualification of use of certain payment methods for a term of 6 months, except when, in the opinion of the Cooperative, circumstances warrant an exception.

5. 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.

6. CORRECTION FOR ERRORS

If the Cooperative determines a member has been incorrectly billed for electric service such incorrect billing shall be adjusted for either overbilling or underbilling. After a determination of overbilling or underbilling for electric service has been made by the Cooperative, an adjustment shall be made in the member's bill. For these purposes, the adjustment for overbilling or underbilling shall be for any known or unknown causes (with the exception of meter tests, which are outlined in the "Meter Testing" section of these service policies) which result in incorrect bills for electric service including but not limited to incorrect constants,

failure of current and potential transformer equipment, failure of any other related equipment involved in measuring consumption of electricity, improperly installed metering equipment, improper billing procedures, and other causes which result in incorrect billings for electric service to the member. The period of adjustment for any underbilling or overbilling shall be based upon the period of time during which said underbilling or overbilling occurred subject only to the applicable period of limitations under State law.

7. METER TESTING

The Cooperative will, at its own expense, periodically test and inspect meters to maintain a high standard of accuracy. A member may request that their meter undergo testing by contacting the Cooperative. Should the meter show accuracy within two percent (2%), slow or fast, no billing adjustments will be made, and the member will be responsible for the meter testing expense. Should the meter be in excess of two percent (2%), slow or fast, the member's bill shall be adjusted back to a point that can reasonably be determined to have occurred, but in no case no more than thirty-six (36) months, and no meter testing fees shall be charged to the member.

8. 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.

9. MEMBER'S ENERGY USE DATA

Upon request by the member, the Cooperative will make available that member's energy consumption data for the prior 12 months' period. Except as required by law or court order, the Cooperative will not provide to other parties any member's individually identifiable energy consumption data or other individually identifiable member data collected by the Cooperative without the member's explicit authorization, using authorization procedures established by the Cooperative.

10. TERMINATION AND RECONNECTION OF SERVICE

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

In the event payment is not received by the due date stated on the bill, the Cooperative may disconnect service ten days after said due date, and only after providing notice that service is subject to termination for non-payment.

All fees associated with termination and reconnection of service, along with any requirement to increase the account security, must be paid prior to service being reconnected by the Cooperative. If it is necessary to restore service after regular work hours, the appropriate after-hours fees will apply.

The Cooperative will postpone disconnection of service for non-payment to residential members scheduled for disconnection in the case of hot or cold weather extremes; National Weather Service for the local area is forecasted high of 30 (degrees Fahrenheit) or lower during the day and/or below 20 during the night or a high of 95 or above during the day. Where disconnection is postponed due to the aforementioned weather extremes, the postponement will not extend beyond the extreme weather condition.

In cases of medical necessity, as stated by a licensed medical practitioner, disconnection of service will be postponed for 7 days from the original scheduled disconnection date to allow member time to make payment or alternative shelter arrangements. The Cooperative must be notified by a medical doctor or nurse practitioner licensed to practice in the state of Tennessee certifying that the disconnection of electric service would create a life-threatening medical situation for the member or other permanent resident of the member's household. It is the responsibility of the member to ensure the form has been approved by the Cooperative.

11. TERMINATION OF CONTRACT BY MEMBER

Members who have fulfilled their contract terms and wish to discontinue service must give a minimum of one (1) business day notice prior to requested disconnection unless a written contract specifies otherwise.

12. INSPECTIONS AND RIGHT OF ACCESS

The Cooperative's authorized agents will have access to the member's property at all reasonable times for the purpose of maintenance, testing of cooperative-owned equipment, and/or removing/replacing cooperative-owned equipment. The Cooperative 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 the Cooperative's standards. Such inspections or failure to inspect or reject shall not render the Cooperative liable or responsible for any loss or damage resulting from defects in the installations, wiring, or appliances, or from violations of the Cooperative's rules, or from accidents occurring on the member's premises.

13. MEMBER'S RESPONSIBILITY FOR COOPERATIVE PROPERTY

All meters, service connections, and other equipment furnished by the Cooperative shall be, and remain, the property of the Cooperative. The member shall provide a space for and exercise proper care to protect the property of the Cooperative on its premises, and, in the event of loss or damage to the Cooperative's property arising from neglect or member to care for same, the cost of the necessary repairs or replacement shall be the responsibility of the member.

No persons except an employee or agent 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.

14. MEMBER'S WIRING—STANDARDS

All wiring must conform to the Cooperative's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electrical Code.

15. CONTRIBUTIONS BY MEMBER OR DEVELOPER

The Cooperative is a not-for-profit entity and is responsible for appropriately cost incurred to the Cooperative to serve its membership. In many cases, the Cooperative will require members or developers to make a contribution in-aid of construction.

16. SERVICE CHARGES FOR TEMPORARY SERVICE

Members requiring electric service on a temporary basis may be required to pay all costs for connection and disconnection incidental to the supplying and removing of service. This rule applies to circuses, carnivals, fairs, temporary construction and the like.

17. INTERRUPTION OF SERVICE

The Cooperative will use reasonable diligence in supplying current but does not guarantee continuous service, nor shall the Cooperative be liable for breach of contract in the event of, or for loss, injury or damage to persons or property resulting from, interruptions in service, excessive or inadequate voltage, single phasing, or otherwise unsatisfactory service, whether or not caused by negligence.

18. VOLTAGE FLUCTUATIONS CAUSED BY MEMBER

Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to the Cooperative's system. The Cooperative may require the member, at member expense, to install suitable apparatus which will reasonably limit such fluctuations.

19. ADDITIONAL LOAD

The service connection, transformers, meters, and equipment supplied by the Cooperative for each member have definite capacity. Member shall obtain the consent of the Cooperative prior to the addition of: i) any heated or cooled structure, and/or ii) any equipment or device that produces high-load usage, including but not limited to, welders, electric vehicle chargers, hot tubs/saunas, heated swimming pools or ponds. Failure to give notice of such additions or changes in load, and to obtain the Cooperative's consent for same, shall render member liable for any damage to any of the Cooperative's lines or equipment caused by the additional or changed installation.

20. FOREIGN ELECTRICITY, PARALLEL SERVICE, AND STANDBY GENERATION

Use of electric service in parallel with service provided by DREMC is prohibited without the prior written consent of the cooperative, including, but not limited to, backup generators and solar generation installed behind the meter.

Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

When applicable, a separate interconnection application, fee, and inspection will be required prior to the operation of any parallel system. All local, state, and federal requirements for such installations shall apply, including permitting and inspections. Protective devices specified in the National Electric Code, or the National Electric Safety Code, will apply, and the installation of a double throw switch must be used to prevent possible injury to Cooperative personnel and equipment.

21. NOTICE OF TROUBLE

Member shall notify the Cooperative 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.

22. NON-STANDARD SERVICE

Member shall pay the cost of any special installation necessary to meet his/her non-standard service requirements.

23. 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.

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.

24. 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.

25. COMPLAINT PROCEDURE

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

- A. Notify the Cooperative's local office and allow reasonable time for investigation, advice, and action. If the results are not satisfactory, then:
- B. Notify the Cooperative President and Chief Executive Officer in writing, 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. Notify the Cooperative Board of Directors in writing. This notification should be provided to the Cooperative's Chief Executive Officer for distribution to the entire 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.

26. NON-MEMBERS

The contents of this document shall apply with the same force and effect to nonmember consumers of electric service as they apply to members.

27. 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 available on the Cooperative's website (www.dremc.com), and such 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 the 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.

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