

Lewisburg Electric System (LES)

SCHEDULE OF RULES AND REGULATIONS

1. **Application for Service:**

Each prospective Customer desiring electric service will be required to sign Lewisburg Electric System's standard form of application for service before service is supplied by LES. Electric service will be supplied without regard to race, color, creed, sex, national origin, or marital status. The customer has a right to a copy of LES's Schedule of Rules and Regulations and a LES Rate Schedule upon request.

2. **Deposit: Security Deposit**

Residential: *It shall be the policy of Lewisburg Electric System to require a security deposit before serving customers which are classified as residential and are to be served under Rate Schedule RS. The deposit shall be a fixed amount, not to exceed twice the highest monthly bill for the residential rate class for the past 12 months. The specific deposit amount will be posted on the LES website at www.lewisburgelectricsystem.com.*

General Service: *It shall be policy of Lewisburg Electric System to require a security deposit before serving customers which are commercial and are to be served under Rate Schedule GSA. The deposit shall be a maximum of twice the average bill of the previous (12) months billing history for that location. If no previous billing history exists, a deposit shall be arrived at using accepted engineering practices based on the entrance capabilities as applied to the most current rate language. After twelve (12) months on a full operational basis, and a billing history is established, the deposit amount will be evaluated and adjusted to increase or decrease to an amount equal to twice the average bill of the established period.*

A surety bond will be acceptable from General Service customers with a demand exceeding 50 kW, provided the language in the bonding document provides for a ninety (90) day cancellation notice. In the event of disconnecting service and the final bill payment being made, the cancellation notice will not be required.

General Service customers requiring a demand of 500 kW or more shall be required to sign a power contract with LES.

General power deposits shall remain in place until customer discontinues electric service with LES.

For All Deposits:

Deposits may be accepted by cash, check, and /or money order. No installment payment options will be accepted. In the case of bad checks for deposits, the service will be terminated immediately.

LES will accrue simple interest annually on deposits. Interest rates will be established based on the current interest rate earned by Lewisburg Electric System's General Fund. The deposit balance including interest earned is subject to review by both the customer and LES. Upon termination of service, the deposit and accrued interest will be applied to the final bill. If the customer has a remaining balance after the final bill payment, a refund will be made to the customer.

3. **Point of Delivery:** *The point of delivery is the point, as designated by LES, on customer's premises where current is to be delivered to building or premises. All wiring and equipment beyond this point of delivery shall be provided and maintained by customer at no expense to LES.*
4. **Customer's Wiring-Standard:** *All customer's wiring must conform to LES requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electrical Code.*
5. **Inspections:** *LES 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 LES's standards; but such inspection or failure to inspect or reject shall not render LES liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of LES's rules, or from accidents which may occur upon Customer's premises.*
6. **Underground Service Lines:** *Customers desiring underground service lines from LES's overhead system must bear the excess cost incident thereto. Specifications and terms for such construction will be furnished by LES on request.*
7. **Customer's Responsibility for Distributor's Property:** *All meters, service connections, and other equipment furnished by LES shall be, and remain, the property of LES. Customer shall provide a space for and exercise proper care to protect the property of LES on its premises, and in the event of loss or damage to LES's property arising from neglect of Customer to care for same, the cost of the necessary repairs or replacements shall be paid by Customer.*

8. **Right of Access:** *LES's identified employees shall have access to Customer's premises at all reasonable times for the purpose of reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to LES.*
9. **Billing:** *Bills will be rendered monthly and shall be paid at the LES office, online at www.lewisburgelectricsystem.com, by mail to Lewisburg Electric System, PO Box 2727, Lewisburg, TN 37091, and at other locations designated by LES. Failure to receive bill will not release customer from payment obligation. The due date for payment of the bill will be no less than 15 days for residential customers. All other class customers shall have no less than 10 days after the day the bill is processed in LES's system. If payment is not received by the due date on the bill, LES may discontinue service after providing a separate written notice by mail to the customer informing them of the electric service disconnection and the available rights and remedies to dispute the bill with LES, including contacting an authorized employee of the Customer Service Department at 931-359-2544, Monday through Friday 8 AM to 5 PM Central standard time. No further notice will be provided before electrical service is disconnected. Bills paid after the due date may be subject to additional charges. The residential late payment charge will be computed as a charge of 5% on the unpaid portion of the electric bill excluding other charges. The late payment charge for other classes or service will be computed as a charge of 5% on the first \$250.00 of the unpaid portion of the electric bill and 1% of amounts that exceed \$250.00 excluding other charges. Payments received by mail after the due date on bill will be subject to additional charges. Should the due date of the bill fall on a Saturday, Sunday, or holiday, the next business day following the due date will be held as a day of grace for delivery of payment. . Electric service will be disconnected on the 10th day from the original due date stated on customer's original bill (not the due date on the delinquent notice). Additional charges will apply for disconnection of service for non-payment.*
10. **Extension Agreements:** *Residential customers who cannot make a full payment before the disconnection date may request an Extension Agreement.*
- a. *The agreement must be requested before the date of disconnection stated on the customer's delinquent notice.*
 - b. *Extension Agreements cannot be made on the date of disconnection.*
 - c. *Agreements will not be made for bill amounts less than \$75.00.*
 - d. *Agreements may be made for bill amounts of \$75.00-\$199 without requiring a partial bill payment.*
 - e. *Agreements may be made for bills of \$200 and up. On the date the Agreement is signed, the customer will be required to pay half of the bill amount. The balance must be paid in full by the date stated on the customer's Agreement.*

A request does not guarantee Extension Agreement approval. Agreements will be limited to 3 times per calendar year (no exceptions).

11. **Termination of Service by LES:** Lewisburg Electric System may refuse to connect or may discontinue service for the violation of any of its Rules and Regulations, or for violation of any of the provisions of the Schedule of Rates and Charges, or misrepresentation of the customer application or contract with customer. LES may discontinue service to customer for theft of current or the appearance of current theft devices on the premises of customer. The discontinuance of service by LES, for any causes as stated, does not release customer from his obligation to LES for the payment of minimum bills as specified in the application of customer or contract with customer. If payment is not received by the due date on the bill, LES may discontinue service after providing a separate written notice by mail to the customer informing them of the electric service disconnection and the available rights and remedies to dispute the bill with LES, including contacting an authorized employee of the Customer Service Department at 931-359-2544, Monday through Friday 8 AM to 5 PM Central standard time. Electric service will be disconnected on the 10th day from the original due date stated on customer's original bill (not the 10th day from due date on the delinquent notice).

12. **Postponement of Disconnection due to Weather:** LES shall monitor weather conditions daily for forecasts made by the National Weather Service at the web address <http://forecast.weather.gov> for the location of Lewisburg, TN 37091. In the event the forecasted temperature is expected to exceed a heat index of 100° F or the temperature is expected to be below 32° F, LES will postpone the disconnection of service of residential customers scheduled for such disconnection due to non-payment. Where disconnection has been postponed due to an extreme weather condition, the postponement will not extend beyond the extreme weather condition.

13. **Postponement of Disconnection due to Documented Life Sustaining Medical Hardship:** Upon LES's approval of the "Medical Form for Certification of Use of Life-Sustaining Electric Device", disconnection of service will be postponed for 30 days from the original scheduled disconnection date to allow customer time to make payment or alternative shelter arrangements. The "Medical Form for Certification of Use of Life-Sustaining Electric Device" must be completed 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 customer or other permanent resident of the customer's household. It is the responsibility of the customer to ensure that the form has been approved by LES. A life threatening medical condition does not relieve a customer of the obligation to pay for electric service, including any late fees incurred or other applicable charges. LES will only grant this postponement for termination 2 times in a twelve month period. If full payment of the past due amount, including all late fees, is not received by the end of the 30 day postponement period, electric service will be disconnected without further notice.

14. **Connection, Reconnection, and Disconnection Charges:** LES may establish and collect standard charges to cover the reasonable average cost, including administration, of connecting or reconnecting service, or disconnecting service as provided above. Higher charges may be established and collected when connections and reconnections are performed after normal office hours, or when special circumstances warrant.
15. **Termination of Contract by Customer:** Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days' written notice to that effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve Customer from any minimum or guaranteed payment under any contract or rate.
16. **Service Charges for Temporary Service:** Customers requiring electric service on a temporary basis shall be required by LES 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:** LES will use reasonable diligence in supplying current, but shall not be liable for breach of contract in the event of, or for loss, injury, or damage to persons or property resulting from, interruptions in service, excessive or inadequate voltage, single-phasing, or otherwise unsatisfactory service, whether or not caused by negligence.
18. **Shortage of Electricity:** In the event of an emergency or other condition causing a shortage in the amount of electricity for LES to meet the demand on its system, LES may, by an allocation method deemed equitable by LES, fix the amount of electricity to be made available for use by Customer and/or may otherwise restrict the time during which Customer may make use of electricity and the uses which Customer may make use of electricity. If such actions become necessary, Customer may request a variance because of unusual circumstances including matters adversely affecting the public health, safety and welfare. If customer fails to comply with such allocation or restriction, LES may take such remedial actions as it deems appropriate under the circumstances including temporarily disconnecting electric service and charging additional amounts because of the excess use of electricity. The provisions of the Section entitled Interruption of Service of this Schedule of Rules and Regulations are applicable to any such allocation or restriction.
19. **Specific Conditions of Delivery:** Electric service must not be used in such a manner as to cause, in the sole opinion of LES, unreasonable fluctuations or disturbances, including, without limitation, harmonic distortion on LES's system. Customer shall provide, at its expense, suitable apparatus which will reasonably limit such fluctuations. Customer agrees to refrain from starting or running motors, or other equipment, which in the view of LES results in excessive voltage drop or voltage disturbances to the power system. Customer agrees to install shunt capacitors and/or other equipment in such capacity and switched in such a manner as necessary to maintain a power factor at all times between 85

percent lagging and 97 percent leading. Customer shall exercise all reasonable precautions to limit its total kilovolt-amp demand to the amount to which it is entitled, and for which LES equipment is sized.

In the event that, in the sole opinion of LES, unacceptable power factor, or unreasonable fluctuations or disturbances, including, without limitation, harmonic distortion, excessive voltage drop, or other voltage disturbances, are caused by Customer's facilities, LES shall immediately notify Customer of the circumstances, and LES shall then have the right, after reasonable notice, to discontinue the delivery of power and energy until the condition causing such unacceptable power factor, fluctuations, voltage drops or disturbances is corrected by the Customer. LES shall give Customer 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 LES's right to discontinue service to Customer. Despite such discontinuance of service, Customer shall be obligated to pay LES the amounts due for power and energy, including the minimum bills for such service.

LES will install only such protective devices as in its sole judgement are required to protect its facilities. LES shall not be obligated to provide protective equipment for Customer's lines, facilities, or equipment. Protective devices installed by Customer shall be capable of satisfactory coordination with any protective equipment installed by LES.

If three phase power and energy are supplied to the Customer, Customer shall endeavor to take and use power 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, Customer, upon request, shall make at its expense the changes necessary to correct the unbalanced condition. If said unbalanced condition is not corrected after 60 days, or such other period as may be agreed upon, LES 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.

20. **Additional Load:** This service connection, transformers, meters, and equipment supplied by LES for each Customer have definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of LES. Failure to give notice of additions or changes in load, and to obtain LES's consent for same, shall render Customer liable for any damage to any of LES's lines or equipment caused by the additional or changed installation.
21. **Standby and Resale Service:** All purchased electric service (other than emergency or standby service) used on the premises of Customer shall be supplied exclusively by LES, and Customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.

22. **Notice of Trouble:** *Customer shall notify LES 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.*
23. **Non-Standard Service:** *Customer shall pay the cost of any special installation necessary to meet his peculiar requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.*
24. **Meter Tests:** *LES will at its own expense, make periodical test and inspections of its meters in order to maintain a high standard of accuracy. LES will make additional test or inspections of its meters at the request of Customer. If tests made at Customer's request show that the meter is accurate within two percent (2%), slow or fast, no adjustment will be made in the Customer's bill, and LES's standard testing charge will be paid by Customer. In case the test shows meter to be in excess of two percent (2%) fast or slow, an adjustment shall be made in Customer's bill over a period of not over thirty (30) days prior to date of such test, and cost of making test shall be borne by LES.*
25. **Relocation of Outdoor Lighting Facilities:** *LES shall, at the request of Customer, relocate or change existing LES-owned equipment. Customer shall reimburse LES for such changes at actual cost including appropriate overheads.*
26. **Billing Adjusted to Standard Periods:** *The demand charges and the blocks in the energy charges set forth in the rate schedules are based on billing periods of approximately one month. In the case of the first billing of new accounts (temporary service, cotton gins, and other seasonal customers excepted) and final billings of all accounts (temporary service excepted) where the period covered by the billing involves fractions of a month, the demand charges and the blocks of the energy charge will be adjusted to a basis proportionate with the period of time during which service is extended.*
27. **Revisions:** *These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time, without notice. Such changes, when effective, shall have the same force as the present Rules and Regulations.*
28. **Conflict:** *In case of conflict between any provision of any rate schedule and the Schedule of Rules and Regulations, the rate schedule shall apply.*

29. INFORMATION TO CUSTOMERS:

CUSTOMERS ENERGY USE DATA - Upon request by the customer, LES will make available the customer's energy consumption data for the prior 12 months period.

TVA COMPLAINT RESOLUTION PROCESS - In the case of billing disputes or other service issues, the customer is expected to resolve the dispute by notifying and working with Lewisburg Electric System. If the dispute is not resolved, LES will provide the customer with information regarding TVA's Complaint Resolution Process. Customers will be informed about the TVA Complaint Resolution Process upon application for service, at any time upon request, and through information provided on the LES Website, www.lewisburgelectricsystem.com, or other technological means of communication, if available.

SCOPE

The Schedule of Rules and Regulations is a part of all contracts for receiving electric service from LES and applies to all service received from LES, whether the service is based upon contract, agreement, signed application, or otherwise. A copy of the Schedule of Rules and Regulations together with a copy of LES's Schedule of Rates and Charges, which is approved by the LES Board of Directors, may be obtained at the LES office located at 599 West Ellington Parkway, Lewisburg, TN, 37091. This information, as well as, information regarding rates, service practice policies, and guidelines to customers is available on the LES website - www.lewisburgelectricsystem.com . Information brochures and print media will also be available in LES office. A customer will receive such information upon application for electrical service, and upon request at any time. All retail rate actions initiated by LES shall be communicated to the public through the LES website and public displays at the LES office.