

HICKMAN ELECTIC SYSTEM

SCHEDULE OF RULES AND REGULATIONS

1. **Application for Service.** Each prospective Customer desiring electric service will enter a contract for service with Hickman Electric System (HES) and post a deposit or acceptable guarantor's agreement. Proof of identity, two (2) forms of proof of residency, and a valid telephone number will be required when applying for residential service. Service will not be supplied by HES to any applicant (a) who is then indebted to HES or (b) who at the time of application is a member of the household of the former customer who is indebted to HES or (c) who was a member of the household of a former customer when said indebtedness was incurred except upon payment of indebtedness.
2. **Deposit.** A deposit or suitable guarantee equal to twice the highest monthly bill determined using the latest 12-month billing history shall be required of any Customer before electric service is supplied. Customers may request a payment arrangement due to the inability to pay the full deposit amount. A minimum of fifty percent (50%) of the deposit will be required before service connection is made and the maximum period for deposit payments is sixty (60) days. The deposit payments will be subject to a payment arrangement fee of thirty dollars (\$30.00.) Annually upon written request the customer may receive/review a statement of the latest 12-month usage and accrued interest along with having the deposit requirement re-evaluated based upon the most recent 12-month billing history. Deposits paid by a Customer will earn interest after being retained for one year. Interest will be paid at the rate HES earns on its passbook savings accounts. Interest accrued on deposits will be credited to customer's account annually. Upon termination of service, deposit and interest will be applied by HES against unpaid bills and if any balance remains after such application is made, said balance shall be refunded to Customer.
3. **Point of Delivery.** The point of delivery is the physical location, as designated by HES, 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 HES.
4. **Customer's Wiring -Standards.** All wiring of Customer must conform to HES requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code. All meter locations for both underground and overhead services must be approved by a representative of HES.
5. **Inspections.** HES will install electrical services only after a satisfactory inspection has been performed by an authorized representative of the state of Kentucky (Electrical inspector). However, such inspections or failure to inspect or reject shall not render HES liable or responsible for any loss incurred or from property damages resulting from defects in the installation, wiring, or appliances, or from violation of HES rule, or from accidents which may occur upon customer's premises.

6. **Underground Service Lines.** Customers desiring underground service lines from HES must bear the excess cost incident thereto. Specifications and terms for such construction will be furnished by HES on request. HES shall have no responsibility for damage to the property of the customer or others following any installation or maintenance work on underground service lines, except to the extent it may result solely from the negligence or willful misconduct of HES, its agents, or employees.
7. **Customer's Responsibility for HES's Property.** All meters, service connections, and other equipment furnished by HES shall be, and remain, the property of HES. Customer shall provide a space for and exercise proper care to protect the property of HES on its premises. Customer shall control new and existing trees and shrubbery and placement of obstructions to prevent interference with utility lines and other HES facilities. In the event such facilities are interfered with HES reserves the right to trim or remove said obstructions. Further, in the event such facilities are interfered with, impaired in their operation or damaged by the customer or any other person when the customer's reasonable care and surveillance could have prevented such, the customer shall indemnify HES or any other person against death, injury, loss or damage resulting therefrom, including but not limited to HES cost of repairing, replacing, or relocating any such facilities, and in the event such facilities are entered into, or tampered with in such a manner as to allow any service to be illegally consumed or the measurement of that usage to be impaired customer of record and/ or occupant shall reimburse HES for its estimated loss of revenue and damage, if any, resulting therefrom.
8. **Right of Access.** HES 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 HES. HES may, at its discretion, utilize or upgrade existing facilities for the additional purpose of serving other properties.
9. **Billing.** Bills will be rendered monthly and shall be paid within fifteen (15) days from the date mailed, which is typically the 25th of each month. All payments not received by this date will have a second notice generated in the form of a mailed postcard and charged a two dollar and fifty cent (\$2.50) admin fee. Second notices will inform the customer the bill is past due by the start of business on the disconnect date. Notices will include the rights and remedies to dispute the bill with HES and include the phone number of HES. 1-270-241-0023. Bills paid after the past-due date stated on said bill will be subject to an additional charge of five percent (5%). Failure to receive a bill will not release a customer from their payment obligation. Should bills not be paid, service will be discontinued as set out in the "Termination of Service" section herein. Should the due date fall on a weekend or holiday, the next business day following the due date will be held as a day of grace for payment to be received. Payments made after the due date will not be subject to additional charges if the remittance envelope bears the United States Postal Service date stamp of the due date or any date prior.

10. **Termination of Service.** HES may refuse to connect or may discontinue service for the violation of any of its Rules and Regulations or of the Schedule of Rates and Charges. HES may also discontinue service to Customer for the theft of services or the appearance of theft devices on the premises of Customer, for safety reasons or to be compliant with any state, city, or county regulations that require disconnection for safety reasons. All electrical services will be discontinued to customers with past due accounts except as provided in this rule. Payment in full will be required before service is restored. Service will only be restored during regular business hours. An additional deposit amount may also be required. The termination of service by HES for any causes as stated in this rule does not release Customer from the payment obligation to HES, including payment of minimum bills as specified in application of Customer or contract with Customer.

Payment of bill must be received within ten (10) days after past-due date, typically the 25th of each month. All payments must be made by the close of business the 10th day after past-due date, or grace period if the falls on a weekend or holiday. Customers that have not made a payment by the start of business on the disconnect date, will be put on the disconnect list and charged a fifty dollar (\$50.00) disconnect list fee. If the office is contacted prior to the disconnect date, made aware of a residential hardship, and a payment arrangement is made; termination may be postponed up to a maximum of five (5) days from the original disconnect date. All payment arrangements will be subject to a payment arrangement fee of thirty dollars (\$30.00). Only two (2) payment arrangements will be considered per calendar year and cannot be used in the same month.

HES evaluates weather conditions daily at www.weather.com for Hickman, Kentucky, 42050. In the event of an extreme weather condition where the forecasted temperature is expected to exceed 100 degrees Fahrenheit (F) or is expected to be below 32 degrees Fahrenheit (F) on the day service is to be disconnected due to non-payment, HES will postpone the disconnection of service for such customers. When disconnection is postponed due to such weather conditions, the postponement will not extend beyond the extreme weather condition or the customer's next due date, whichever date comes first.

Customers with a medical necessity must have a doctor or nurse practitioner licensed in the state of Kentucky or Tennessee complete HES's medical necessity form 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 HES. A life-threatening medical condition does not relieve a customer from the obligation to pay for electric service, including any late fees or other applicable charges. HES will, at its discretion, either postpone disconnection of service or install a current limiting meter (meters that will allow sufficient current to run life threatening medical equipment only) for a period of thirty (30) days from the original scheduled disconnection date to allow customer time to make payment or alternative shelter arrangements. If full payment of the past due amount, including all

late fees and other applicable charges, is not received by the end of the thirty (30) day postponement or installation of current limiting meter, electric service will be disconnected without further notice. HES will only grant postponement of termination or allow the installation of a current limiting meter for a life-threatening medical situation three (3) times in a twelve-month period.

In the event a customer becomes deceased, and service is not disconnected for non-payment, HES will allow the estate or family ninety (90) days to transfer account. Proof of executor of state or power of attorney will be required. Additional deposit may be required at time of transfer.

11. **TVA Complaint Resolution Process.** In case of billing disputes or other service issues, the customer is expected to resolve the dispute by notifying and working with the Distributor. If the dispute is not resolved, the Distributor will provide the customer with information regarding TVA's Complaint Resolution Process. Customers may find more information regarding the TVA Complaint Resolution Process at www.tva.com/complaintresolution.
12. **Service connection charges.** HES may establish and collect standard charges to cover the reasonable average cost, including administration. A thirty dollar (\$30.00) fee will be required for connecting a new service and a fifty dollar (\$50.00) fee for customers placed on the disconnect list. An additional two dollar and fifty cent (\$2.50) charge will be added to customers that receive second notices. Higher charges may be established and collected when special circumstances warrant. A service lift pole or meter pole relocation request will be subject to a pole relocation charge at actual cost including appropriate overhead.
13. **Payment rejection charges.** There will be a thirty-five dollar (\$35.00) charge for each check returned to HES and for each presented payment rejected by the customer's financial institution.
14. **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 the 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.
15. **Service Charges for Temporary Service.** Customers requiring electric service on a temporary basis may be required by HES to pay all cost for connection and disconnection incidental to the supplying and removing of service in addition to energy and customer charges. This rule applies to circuses, carnivals, fairs, temporary construction, and the like. A temporary service deposit will be required prior to connection in the amount of one hundred dollars (\$100.00).
16. **Interruption of Service.** HES will use reasonable diligence in supplying electric power but shall not be liable for breach of contract in the event of loss, injury, or damage to persons or property resulting from interruptions in service, excessive or

inadequate voltage, single-phasing, or otherwise unsatisfactory service.

17. **Shortage of Electricity.** In the event of an emergency or other condition causing a shortage in the amount of electricity for HES to meet the demand on its system, HES may, by an allocation method deemed equitable by HES, fix the amount of electricity to be made available for use by Customer and/or may otherwise restrict the time during which Customer may make use of electricity and the uses which Customer may make of electricity. If such actions become necessary, Customer may request a variance because of unusual circumstances including matters adversely affecting the public health, safety, and welfare. If Customer fails to comply with such allocation or restriction, HES 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.
18. **Voltage Fluctuations caused by Customer.** Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to HES's system. HES may require Customer, at his own expense, to install suitable apparatus which will reasonably limit such fluctuations.
19. **Additional Load.** The service connection, transformers, meters, and equipment supplied by HES for each Customer have definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of HES. Failure to give notice of additions or changes in load, and to obtain HES's consent for same, shall render Customer liable for any damage to any HES's lines or equipment caused by the additional or changed installation.
20. **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 HES, and customer shall not, directly, or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.
21. **Notice of Trouble.** Customer shall notify HES 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.** Customer shall pay the cost of any special installation necessary to meet his requirements for service for other than HES standard or planned voltage or standard voltage regulation. This includes making customer requested changes in existing installations.
23. **Meter Tests.** HES will, at its own expense, make periodical test and inspections of its meters to maintain a high standard of accuracy. HES will make additional test or inspections of its meters at the request of the Customer. If test made at Customer's

request show that the meter is accurate within two percent (2%), slow or fast, no adjustment will be made in Customer's bill, and customer will be charged fifty dollars (\$50.00) for such test. In case the test shows meter to be more than two percent (2%) fast or slow, an adjustment shall be made in Customer's bill over a period of not over sixty (60) days prior to date of such test, and cost of making test shall be borne by HES.

24. **Outdoor Lighting Facilities.** Outdoor lights will be charged according to the Schedule of Rates and charges. Lights requiring a separate pole will have a four dollar (\$4.00) per month pole charge added. Customers requesting a new outdoor light with a pole will be charged an installation fee of one hundred dollar (\$100.00), if there is an existing light the customer will be charged a twenty dollar (\$20.00) connect charge. Lights will then be billed monthly per the Schedule of Rates and Charges. HES shall, at the request of Customer, relocate or change existing HES-owned outdoor lights and equipment. Customer shall reimburse HES for such changes at actual cost including appropriate overheads.
25. **Billing Adjusted to Standard Periods.** The customer charges and energy charges set forth in the Schedule of Rates and Charges are based on billing periods of approximately one month. In the case of the first billing of new accounts (temporary service and other seasonal customers exempted) and final billings of all accounts (temporary services exempted) where the period covered by the billing involves fractions of a month, the customer charge and energy charge will be adjusted to a basis proportionate with the period during which service is extended.
26. **Information to Consumers.** This schedule of Rules and Regulations is a part of all contracts for receiving electric service from HES and applies to all service received from HES whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this schedule, together with a copy of HES's schedule of Rates and Charges, approved in an open HES Board of Directors' meeting, shall be kept open to inspection at the office of HES and is available to all customers upon request. As is stated in the application for service. Any local rate adjustment voted on by the HES Board of Directors will be included as a special message on the bills the following billing cycle to ensure delivery to all HES customers.
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 Schedule of Rates and Charges and the Schedule of Rules and Regulations, the Schedule of Rates and charges shall apply.