

Prentiss County Electric Power Association
SCHEDULE OF RULES AND REGULATIONS

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

2. Security Deposit A cash deposit or Surety Bond approximately equal to twice the maximum monthly bill may be required of any Customer. Annually upon written request or at the discretion of PCEPA the deposit requirement may be re-evaluated and adjusted based upon the most recent usage and credit score. Interest at least as high as passbook savings accounts in Prentiss County shall accrue on all cash deposits and be paid annually on request or at the time the deposit is refunded. PCEPA may obtain a credit report from an approved Credit Bureau. A residential deposit may be refunded after 24 consecutive months of service in which all payments were made on or before the discount date, no payments were rejected by the customer's financial institution, and a satisfactory credit rating is maintained. See Policy Bulletin No. 34 SECURITY DEPOSITS.

3. Point of Delivery The point of delivery is the point, as designated by Distributor, 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 Distributor.

4. Customer's Wiring-Standards All wiring of Customer must conform to Distributor's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electrical Code.

5. Inspections Distributor shall have the right, but shall not be obligated, to inspect any installation before electricity is introduced or at any later time, and reserves the right to reject any wiring or appliances not in accordance with Distributor's standards; but such inspection or failure to inspect or reject shall not render Distributor liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of Distributor's rules, or from accidents which may occur upon Customer's premises.

6. Underground Service Lines Customers desiring underground service lines from Distributor's overhead system must bear the excess cost incident thereto. Specifications and terms for such construction will be furnished by Distributor on request.

7. Customer's Responsibility for Distributor's Property All meters, service connections, and other equipment furnished by Distributor shall be, and remain, the property of Distributor. Customer shall provide a space for and exercise proper care to protect the property of Distributor on its premises, and, in the event of loss or damage to Distributor's property arising from neglect of Customer to care for same, the cost of the necessary repairs or replacements shall be paid by Customer.

8. Right of Access Distributor'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 Distributor.

9. Billing Electric bills will be rendered monthly and shall be paid within fifteen (15) days from the date the bill is mailed or electronically transmitted by PCEPA. Bills paid after the discount date shall be subject to an additional charge not to exceed 5% on any portion of the bill as provided in the Schedule of Rates and Charges. Failure to receive bill shall not release Customer from payment obligation. Should the final date for payment of the bill at the net rates fall on a Sunday or holiday, the business day next following the final date will be held as a day of grace for delivery of payment. Net rate remittances received by mail after the time limit for payment of said net rates will be accepted by Distributor if the incoming envelope bears United States Post Office date stamp of the final date for payment of the net amount or any date prior thereto. See Policy Bulletin No. 30 BILLING.

10. Discontinuance of Service by Distributor Distributor 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 of the application of Customer or contract with Customer. Distributor may discontinue service to Customer for the theft of current or the appearance of current theft devices on the premises of Customer. The discontinuance of service by Distributor for any causes as stated in this rule does not release Customer from his obligation to Distributor for the payment of minimum bills as specified in application of Customer or contract with Customer or any other amounts due. If at 8 A.M. on the day of disconnection the National Weather Service has issued for Prentiss County a Freeze Warning or Excessive Heat Warning, disconnection will be delayed until the next work day with no Freeze Warning or Excessive Heat Warning at 8 A.M. See Policy Bulletin No. 31
TERMINATION OF SERVICE.

11. Disconnection Charge Whenever service has been discontinued by Distributor, as provided above, or a trip is made for the purpose of discontinuing service, a charge of not less than Twenty Dollars (\$20.00) for Residential Service may be collected by Distributor before service is restored. A charge for disconnection of commercial and industrial services will be at actual cost.

12. 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.

13. Service Charges for Temporary Service Customers requiring electric service on a temporary basis may be required by Distributor 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 other services of temporary nature.

14. Interruption of Service Distributor 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.

15. Shortage of Electricity In the event of an emergency or other condition causing a shortage in the amount of electricity for Distributor to meet the demand on its system, Distributor may, by an allocation method deemed equitable by Distributor, 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, Distributor 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.

16. Voltage Fluctuations Caused by Customer Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to Distributor's system. Distributor may require Customer, at his own expense, to install suitable apparatus which will reasonably limit such fluctuations.

17. Additional Load The service connection, transformers, meters, and equipment supplied by Distributor for each Customer have definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of Distributor. Failure to give notice of additions or changes in load, and to obtain Distributor's consent for same, shall render Customer liable for any damage to any of Distributor's lines or equipment caused by the additional or changed installation.

18. 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 Distributor, and Customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.

19. Notice of Trouble Customer shall notify Distributor immediately should the service be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of electricity. Such notices, if verbal, should be confirmed in writing.

20. 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.

21. Meter Tests Distributor will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. Distributor will make additional tests or inspections of its meters at the request of 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 Customer's bill, and a testing charge of Fifteen Dollars(\$15.00) per residential meter will be paid by Customer. Customer request to test Commercial and Industrial meters will be charged at actual cost. In case the test shows meter to be in excess of two percent (2%) fast or slow, an adjustment shall be made in Customers 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 Distributor.

22. Relocation of Outdoor Lighting Facilities Distributor shall, at the request of Customer, relocate or change existing Distributor-owned equipment. Customer shall reimburse Distributor for such changes at actual cost including appropriate overheads.

23. 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.

24. Score. This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from Distributor, and applies to all service received from Distributor, whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this schedule, together with a copy of Distributor's Schedule of Rates and Charges, shall be kept open to inspection at the offices of Distributor and may be found on the webpage www.pcepa.com. See Police Bulletin No. 27
INFORMATION TO MEMBERS..

25. 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.

26. Conflict In case of conflict between any provision of any Rate Schedule and the Schedule of Rules and Regulations, the Rate Schedule shall apply.

PRENTISS COUNTY ELECTRIC POWER ASSOCIATION

POLICY BULLETIN NO. 27 Revised 3-1-2015

SUBJECT: INFORMATION TO MEMBERS

POLICY:

1. The Prentiss County Electric Power Association Schedule of Rules and Regulations is a part of all contracts for receiving electric service from Distributor, and applies to all service received from Distributor, whether the service is based upon contract, agreement, signed application, or otherwise.
2. PCEPA will inform members about all retail rate actions initiated by PCEPA through the local news media, the PCEPA webpage(www.pcepa.com), and information available at PCEPA offices.
3. PCEPA will inform members about service practice policies and rates by making such information available at any time upon request and by having copies available at PCEPA offices as customers apply for service and on the PCEPA. webpage (www.pcepa.com).
4. The Association, on request, will provide individual members a statement of the monthly consumption for the prior 12 months if it is reasonably ascertainable. A fixed fee will be charged for multiple requests. (\$2 per request 3-1-2015)
5. The Association may allow certain advertising to be included with monthly electric bills to produce income for the Association.

PRENTISS COUNTY ELECTRIC POWER ASSOCIATION

POLICY BULLETIN NO. 30 Revised 3-1-2015

SUBJECT: BILLING

POLICY:

Electric bills will be rendered monthly and shall be paid within fifteen (15) days from the date the bill is mailed or electronically transmitted by PCEPA. Bills paid after the discount date shall be subject to an additional charge not to exceed 5% on any portion of the bill as provided in the Schedule of Rates and Charges. This bill shall advise the member that payment must be made within 10 days after the discount date shown on the bill or electric service will be discontinued without further notice. A separate late notice will be mailed the next work day after the discount date informing the customer of the total amount due, the disconnect date, and an opportunity to dispute the accuracy of the bill with an employee of the association. Failure to receive bill shall not relieve customer from payment obligation.

If the bill has not been paid the electric service will be disconnected by a service man or remote disconnect after the expiration of time specified. A collection charge will be added to the delinquent bill for the visit to the member's premises for the purpose of collecting delinquent electric bill or the remote disconnect.

If a member is delinquent in the payment of his or her electric account and seeks service in the name of another member of his or her household or in the name of another Coop member to avoid payment of delinquent bills, service may be denied until all bills have been paid. Service may also be denied a member in good standing who seeks service in his or her name for another member who is delinquent in the payment of his or her electric account.

Should delinquent bills remain unpaid for a period exceeding one month, the manager of the Cooperative shall begin proceeding to confiscate the membership and any security deposit which the member may have with the Cooperative. In case the membership is to be confiscated, the manager shall notify the member by mail, at the address of the member as shown on the records of the Cooperative, not less than 30 days prior to such confiscation. Such notice shall include the amount of the delinquent bill, the account number, the membership number, the value of the membership and the date the membership is to be confiscated.

The full value of memberships confiscated shall become the property of the Cooperative. In the event the value of the membership is more than the amount of the delinquent bill the remainder shall be considered expense of making collection. In the event the delinquent bill is more than the value of the membership, the Manager shall write the remaining unpaid account off the active accounts of the Cooperative. A record of such unpaid amounts shall be maintained in the office of the Cooperative and shall be paid in full before again rendering electric service to the member.

PRENTISS COUNTY ELECTRIC POWER ASSOCIATION

POLICY BULLETIN NO. 31 Page 1

SUBJECT: TERMINATION OF SERVICE Revised 3-1-2015

POLICY:

Each Prentiss County Electric Power Association customer uses electricity for a month then receives the electric bill approximately 10 days later. Each member is given 15 more days until the discount date then 11 more days until the disconnect date. If the disconnect date falls on the weekend or a holiday the disconnect date is the next business day. The total accumulation of days of electric usage until disconnect date is from 64 to 70 days depending on length of month and if disconnect date falls on weekends and adjoining holidays. For unpaid accounts a separate late notice will be mailed the next work day after the discount date informing the customer of the total amount due, the disconnect date, the phone number and an opportunity to dispute the accuracy of the bill with an employee of the association. Failure to receive bill shall not relieve customer from payment obligation.

Distributor 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 of the application of Customer or contract with Customer. Distributor may discontinue service to Customer for the theft of current or the appearance of current theft devices on the premises of Customer. The discontinuance of service by Distributor for any causes as stated in this rule does not release Customer from his obligation to Distributor for the payment of minimum bills as specified in application of Customer or contract with Customer or any other amounts due.

In the case of a Medical Emergency in the household of a member, the General Manager or his designee has authority to work with the member and extend the disconnect date up to an additional 30 days. At that time the member would have used 94 to 100 days of electricity and have two past due bills. This additional time is to allow a member with a Medical Emergency time to make arrangements and pay the past due power bills. The Medical Emergency extension is limited to two in any year. A member must request a Medical Emergency in writing by completing the Certificate of Medical Emergency form provided by PCEPA and returning to PCEPA office at least 2 working days before the disconnect date.

PRENTISS COUNTY ELECTRIC POWER ASSOCIATION

POLICY BULLETIN NO. 34 Page 1

SUBJECT: SECURITY DEPOSITS 3-1-2015
POLICY:

Security Deposits shall be applied without regard to race, color, creed, sex, age, national origin or marital status.

All security deposits shall be in addition to the Membership Fee.

Each applicant for electric service shall be required to deposit with PCEPA a Security Deposit in the amount equal to the two highest monthly estimated bills, or equal to the two highest consecutive monthly bills where there is history of usage at that location or comparable usage history available at other locations. This security deposit is to be held by PCEPA as security to guarantee the payment of electric bills due by the consumer to PCEPA. The security deposit will be applied along with accrued interest to the customer's unpaid final bills when service is discontinued and any excess will be refunded to the customer.

Commercial and Industrial Security Deposits shall be in cash, or Surety Bond from a Surety Company with a 30 day cancellation notice.

RESIDENTIAL SERVICE WITH EXCELLENT PAYMENT RECORD/CREDIT SCORE

No security deposit shall be required on the first 3 meters of an applicant for residential service who has established an Excellent Payment Record at PCEPA by paying each of their electric bills in their name on or before the discount date during the last 24 consecutive months or has a FICO score greater than 700/OnLine Utility Exchange GREEN credit score. Residential security deposits that have been collected for the first 3 meters shall be returned when the member has met this 24 month Excellent payment requirement.

RESIDENTIAL SERVICE WITH MEDIUM PAYMENT RECORD/CREDIT SCORE

The Security deposit for Residential Electric Service will be \$150.00 if the customer has paid PCEPA after the discount date once during the last 24 months of service or the applicants' FICO credit score is 660 to 700/OnLine Utility Exchange YELLOW credit score.

RESIDENTIAL SERVICE WITH POOR PAYMENT RECORD/CREDIT SCORE

The Security deposit for Residential service will be \$300 if the applicant's FICO credit score is below 660/OnLine Utility Exchange RED credit score.

Any applicant will be required to pay the sum of the two highest consecutive monthly bills or two highest estimated bills if the applicant has paid PCEPA two times on or after the disconnect date during the last 24 months, or had two returned payments from their financial institution.

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There will be no Security deposit for first-time applicants for residential service if an existing home owner who has established an EXCELLENT payment record as described above shall guarantee payment to PCEPA for the first-time applicant during the first two (2) years of service or until the applicant has established an EXCELLENT payment record.

Any small general service customer(GSA1) that is expanding service will not be required to pay an additional deposit if the customer has an excellent payment record. A customer with an excellent payment record is defined as a customer that has paid each of their electric bills in their name on or before the discount date during the last 24 months. However, Prentiss County reserves the right to ask for additional deposit if Prentiss County would face a disproportionate risk if the business were unable to pay the electric bill.

For residential or other large cash security deposits the General Manager or his designee is authorized to allow up to 120 days to collect the total deposit required by an installment payment agreement and/or adding the additional amount to the monthly electric bill.

All security deposits shall earn simple interest at least equal to the rate banks in Prentiss County are paying on passbook savings accounts. The interest rate will be evaluated annually. The earned interest shall be paid to the member or applied as a credit to the member's account annually.

Annually upon written request or at the discretion of PCEPA the deposit requirement may be re-evaluated and adjusted based upon the most recent usage history and/or credit score.