

CLEVELAND UTILITIES

SCHEDULE OF RULES AND REGULATIONS

The following “Rules and Regulations” shall apply to all customers of Cleveland Utilities without regard to race, color, creed, sex, age, national origin, or marital status:

- 1. Application for Service:** Each prospective customer desiring electric, water, or wastewater services shall be required to sign Cleveland Utilities’ standard form of application for service or contract before service is supplied by the Utilities, hereafter referred to as CU.
- 2. Deposit:** A deposit or suitable guarantee approximately equal to twice the average monthly bill of the rate class may be required before any utility service is supplied. Customers, who have elected to participate in a credit verification program, and receive a positive evaluation, may be eligible to receive a deposit waiver decision. Annually, upon written request of the customer or at the discretion of CU, the deposit requirement may be re-evaluated based on satisfactory payment history over a concurrent twelve-month period. If CU elects to retain all, or any portion, of the deposit longer than twelve months, CU will thereafter pay interest on the retained portion of the deposit, based on the rate earned by CU for passbook savings accounts. Interest earnings, which are reviewable at the customer’s request, will be credited to the customer’s monthly billing statement on an annual basis. When service is terminated, CU may apply the deposit against any unpaid bills of the customer. If any balance remains after such application is made, said balance shall be refunded to the customer. CU may require a separate deposit for each customer account.
- 3. Point of Delivery:** The point of delivery is the point, as designated by CU, on the customer’s premises where service is to be delivered to the building or that premise. All facilities and equipment beyond this point of delivery shall be provided and shall be maintained by the customer at no expense to CU.
- 4. Customer’s Wiring and Plumbing Standards:** All wiring and plumbing facilities belonging to the customer must conform to CU’s requirements and accepted standards. Said wiring and plumbing facilities and attachments must comply with all federal, state, and local requirements.
- 5. Inspection:** CU shall have the right, but shall not be obligated to inspect any installation before electricity, water, or wastewater facilities are provided or at any time thereafter. CU reserves the right to reject any installation not in accordance with federal, state, or local standards. Such inspection or failure to inspect or reject shall not render CU liable or responsible for any loss of damage resulting from defects in the installation or from violation of the Utility’s Rules and Regulations, or from accidents that may occur upon the customer’s premises.
- 6. Customer’s Responsibility for CU’s Property:** All meters, service connections, and other equipment furnished by CU shall be, and remain, the property of CU. The customer shall provide a space for and exercise proper care to protect the property of CU on its premises, and in the event of loss or damage to CU’s property arising from neglect of the customer to care for same, the cost of the necessary repairs or replacements shall be paid by the customer. In addition, the customer shall control new and/or existing trees, shrubbery, and placement of obstructions so as to prevent interference with CU property. In the

event such property is interfered with, CU reserves the right to trim or remove said obstruction, all costs incurred shall be paid by the customer.

7. Right of Access: Identified employees of CU shall have access to the customer's premises at all reasonable times for the purpose of reading meters, testing, repairing, inspecting, removing, or exchanging any or all facilities belonging to CU.

8. Billing: Utility bills will be rendered monthly and shall be paid within fifteen (15) days from the date the bill is mailed or electronically transmitted by CU. Failure to receive a bill shall not release the customer from payment obligations. Bills paid on or before the net payment date shall be payable at net rates. Payments made after the net payment date will be subject to a late payment charge. The late payment charge for all classes of service will be computed as a charge of 5% on the first \$250 of the unpaid portion of the total utility bill plus 1% of the unpaid portion exceeding \$250. If the final date of payment of the bill at the net rate falls on Saturday, Sunday, or a holiday, the next business day following the final date will be held as a day of grace for delivery of payment. Net rate payments received by mail after the net date specified on the bill will be accepted by CU if the incoming envelope bears a postmark dated not more than one (1) day past the net payment date or any date prior thereto.

9. Discontinuance of Service by Cleveland Utilities: Cleveland Utilities may refuse to connect or may discontinue service for the violation of any of its rules and regulations, or for the violation of any of the provisions of the Schedule of Rates and Charges, or of the application of the contract with the customer. Customers receiving services at one or more metering locations and being delinquent in payment on any one of these accounts may have services disconnected at all locations until the delinquent account and all outstanding service charges are paid in full. Cleveland Utilities may discontinue services to the customer for the theft of electricity or water, for making unauthorized attachments, for the appearance of theft devices, or for the evidence of tampering with CU facilities on the premises of the customer. The discontinuance of service by CU for any cause as stated in these rules does not release the customer from their obligation to CU for the payment of minimum bills as specified in the application of the customer or the contract with the customer.

10. Termination of Services for Nonpayment: A notice that service is subject to termination for nonpayment shall be printed on all monthly bills. If a bill is unpaid three (3) days following the net payment date, a written notice, or electronic notice if agreed to by customer, shall be sent to the customer advising the customer accordingly and service will be terminated no less than ten (10) days following the net payment date shown on the bill if the bill still remains unpaid. The notice will include the amount due, the last date of payment, the notification of special counseling (if requested), and instructions as to how to apply for a hearing if the bill is disputed.

CU evaluates weather conditions daily at www.weather.com for Cleveland, TN 37311. In the event that the average forecasted temperature is not expected to exceed 36 degrees/Fahrenheit or will exceed a forecasted temperature or heat index of 99 degrees/Fahrenheit on that day, CU will not discontinue service of residential customers for nonpayment. During such events where service is extended due to

weather conditions, the service extension shall not exceed past the extreme weather condition or past the customer's next due date, whichever comes first.

Accounts of customers identified by CU as chronically or seriously ill, handicapped, or on a life support system and whose health could be critically endangered if electric service is disconnected, may receive an extended grace period prior to disconnection for nonpayment. It is the customer's responsibility, however, to let CU know if the customer or someone in the household fits these criteria. In order to qualify, the customer must contact CU to obtain the medical exemption form for a certified and licensed medical doctor to certify in writing that disconnection of electricity would critically endanger that person or persons' health. Upon completion of necessary documentation, said customer must either enter into a payment plan or make other arrangements for housing or medical care, as such grace period shall in no case be extended greater than 30 calendar days past the original net payment date. This grace period may only be extended to said customer or customers' once per six-month period.

11. Connection, Reconnection, Collection, and Other Fees: The customer will pay a connection fee when application for service or a transfer of service is requested. A single connection fee will be charged if all services can be connected with one service call. Fees may be billed to the customer's active account. A reconnection fee of not less than \$5.00 will be charged for reconnecting any service disconnected for nonpayment or for a special trip by CU's servicemen to collect an unpaid bill in lieu of termination of service. If a customer requests to be connected, disconnected, or reconnected after regular business hours, including Saturdays, Sundays, and holidays, an additional service fee may be charged to reimburse CU for the actual cost of providing that service in addition to the regular connection or reconnection fee charged during regular working hours. A returned check charge of not less than \$5.00 shall be made to customers for each check returned for any reason that is not the fault of CU.

12. Levelized Monthly Payment Plan: A levelized monthly payment plan is available to residential customers upon request. Application for this plan shall be made at CU's business office.

13. Customer Information: Upon application for service and anytime upon request, CU will make available to its customers information concerning service practice policies, local rate actions, current rate schedules, and a statement of energy consumption for the prior twelve (12) month period. Requests for such information shall be made in person at the CU business office, by phone, or mail. Said information will be released only to the specific customer for the customer's personal information. CU will use the local news media or other appropriate methods, this is to include CU's website at www.ClevelandUtilities.com, to inform the customer about local rate actions and service policy changes.

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 that effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve the customer from any minimum or guaranteed payment under any contract or rate.

15. Service Charges for Temporary Service: Customers requiring service on a temporary basis may be required by CU to pay all costs for connection and disconnection incidental to the supplying and

removing service. This rule applies to circuses, carnivals, fairs, temporary construction, seasonal operations, and similar commercial activities.

16. Interruption of Service: CU will use reasonable diligence in supplying services, 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, pressure fluctuations, or otherwise unsatisfactory services, whether or not caused by negligence.

17. Voltage and Pressure Fluctuations and other Surges Caused by Customer: Electric, water, and wastewater services must not be used in such a manner as to cause unusual fluctuations, surges, or disturbances to CU's system. CU may require the customer; at the customer's own expense, to install a suitable apparatus, which will reasonably limit such fluctuations, surges, and disturbances.

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

19. Standby and Resale Services: All purchased electric and water services (other than emergency or standby service) used on the premises of the customer shall be supplied exclusively by Cleveland Utilities unless written approval or authorization has been obtained from CU. The customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of electric or water services or any part thereof.

20. Notice of Trouble: The customer shall notify CU immediately should utility services be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of electricity, water, or wastewater services. Such notices, if verbal, shall be confirmed in writing.

21. Non-standard Service: The customer shall pay the cost of any special installation necessary to meet the customer's non-standard requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.

22. Meter Tests: CU will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. CU will make additional tests or inspections of its meters at the request of the customer. If tests made at the customer's request show that the meter is accurate within commercial tolerances, no adjustment will be made in the customer's bill and a testing charge of not less than \$5.00 per meter will be charged to the customer. If the test indicates the meters to be operating, fast or slow, beyond the limit of commercially accepted standards, an adjustment shall be made in the customer's bill over a period of not over thirty (30) days prior to the date of such test, and the cost of making the test shall be incurred by CU.

23. Billing Adjusted to Standard Periods: The demand charges and the blocks in the energy and water 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 and other seasonal customers excluded) where the period covered by the billing involves fractions of a month, the demand charges and the blocks of the energy and water charges will be adjusted to a basis proportionate with the period of time during which service is extended.

24. Scope: This Schedule of Rules and Regulations is a part of all contracts for receiving electric, water, and wastewater services from CU, and applies to all service received from CU, whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this schedule, together with a copy of CU's Schedule of Rates and Charges, shall be kept open at CU's business office.

CLEVELAND UTILITIES

CUSTOMER'S DUE PROCESS PROCEDURE

Hearings on disputed bills will be held by appointment at CU's office during normal business hours on any business day; or by special request and appointment a hearing may be scheduled outside said hours. A customer requesting a hearing has the right to examine CU's records pertaining to that customer's service. A customer requesting a hearing has the right to have a representative at the hearing, to testify, and to present witnesses. A Hearing Officer duly appointed by CU will conduct hearings. The Hearing Officer will hear the evidence, render a decision in writing and shall promptly provide the customer a copy of such decision. If the customer believes the decision of the Hearing Officer is in error and requests an appeal hearing by noon of the next following business day, or if the Hearing Officer desires to refer the matter to a higher level, an Appeals Officer will conduct a hearing duly appointed by CU. The Appeals Officer will hear the evidence and render a final decision in writing and shall promptly provide the customer a copy of such final decision. The customer has the right to a post termination hearing under the above procedures if there was no hearing before termination, if said customer requests such post termination hearing within two business days following such termination. The customer's service will not be terminated until an appropriate decision is reached under the above paragraphs. A copy of the above hearing and appeal procedures will be available in CU's office at the immediate location where customers pay bills.

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 CU. If the dispute is not resolved, CU will provide the customer with information regarding TVA's Complaint Resolution Process. Customers will be informed about the availability of the TVA Complaint Resolution Process at any time upon request, and through information provided on CU's website or other technological means of communication.