



Rules and Regulations (NON-Residential)

1. Application for Service. Each prospective non-residential Customer desiring power and energy from McMinnville Electric System, hereafter referred to as MES, shall sign MES's *Business Application for Service*, and where applicable, the appropriate Power Supply Contract, before such power and energy is provided to Customer. The terms "electric service" or "service" hereinafter used in this document shall include, without limitation, the furnishing of electrical power and energy and any and all other benefits received by Customer from MES.
2. Determination of Classification. The applicable MES Rate Schedule shall apply to the firm power requirements of non-residential Customers. Non-residential Customers include commercial, industrial, manufacturing, governmental, and institutional Customers as well as churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, assisted living facilities, pools and well pumps, pool houses, detached garages, barns, greenhouses, outdoor lighting, and other like Customers.
3. Deposit. A deposit or other suitable guaranty will be required of any Customer before electric service is provided. Such deposit or guaranty may not exceed twice the highest monthly bill for each metering point, subject to the provisions of MES's Security Deposit Policy. Upon termination of service, the deposit will be applied by MES against unpaid bills of Customer, and if any credit balance remains after such application is made, said balance shall be refunded to Customer. MES may, upon seven (7) days' notice, terminate service to Customer, if Customer fails to maintain a security deposit as required herein. In the event of default of payment of any amount due on an inactive account, a monthly service charge may be added to the account until paid in full. If this account is placed with a collection agency, or attorney for collection or legal action, Customer will pay an additional charge equal to the cost of collection including collection agency fees, attorney fees, and court costs incurred, if any. All deposits greater than one month's average bill, and retained longer than twelve (12) months (after payment of the deposit in full), shall earn interest

annually and such amount shall be added to Customer's deposit account at the end of MES's fiscal year. The interest rate earned on the deposit shall be comparable to market rates of interest on MES's passbook saving account. The deposit balance (including earned interest) as well as the adequacy of such deposit shall be subject to review by Customer and MES. The deposit amount will be based on electric load information provided by Customer, or observed by MES, on expected load factor and on the price of power. MES may adjust the amount of security deposit required from time to time to keep the amount consistent, in accordance with MES's Deposit Policy and Customer's measured usage. MES may, upon seven (7) days' notice, terminate service to Customer, if Customer fails to maintain a security deposit as required herein. Pre-Pay Customers will be subject to the conditions of the MES Pre-Pay Deposit Policy.

4. Point-of-Delivery. The Point-of-Delivery (POD) for power and energy shall be at the point of interconnection of MES's facilities and Customer's facilities. All wiring and equipment beyond the weather head or other POD (except by special written agreement), other than the electric meter, shall be provided, installed, owned, and maintained by Customer. Customer shall provide adequate right-of-way, as determined by MES, for extension of service from MES's existing facilities to the POD. MES shall not be liable for accidents or damages that occur to Customer's equipment or facilities located beyond the POD.

5. Customer's Wiring Standards. All wiring must conform to local, state, and national standards, including the requirements of the National Electrical Safety Code (NESC), the National Electrical Code (NES), and MES's requirements.

6. Interrupted or Curtailed Service. MES will use reasonable diligence to provide a regular and uninterrupted supply of power and energy. However, the availability of power and energy to the Customer may be interrupted or curtailed from time to time. MES shall not be liable for any loss of property or life, injury, or property damage, resulting from failure to supply power and energy, interruption, delay in electric restoration, mechanical failure, single-phasing, voltage irregularity, lightning, fire, labor difficulties, riot, explosion, breakdown, external forces, flood, acts of God, acts of wildlife, acts by agents or employees of MES constituting negligence, or acts of the public enemy. Because Customer is in the best position to provide and install special wiring, alternate electric supplies, and/or special devices to protect Customer facilities and equipment,

Customer assumes all risk of loss, injury, or damage resulting from such interruptions or curtailments, holding MES harmless.

7. Shortage of Power and Energy. In the event of an emergency or other condition causing a shortage in the amount of power and energy available to meet the power demand on MES's system, MES may, by an allocation method deemed equitable by MES, fix the amount of power and energy to be made available for use by Customer and/or may otherwise restrict the time during which Customer may make use of power and energy, and the uses which Customer may utilize power and energy. 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, MES may take such remedial action(s) as it deems appropriate under the circumstances; including but not limited to, temporarily disconnecting the supply of power and energy to Customer or assessing additional charges on Customer's Electric Service Bill because of the excess use of power and energy. The provisions of the Section above entitled Interrupted or Curtailed Service are applicable to any such allocation or restriction.

8. Inspections. MES shall have the right, but not the obligation, to inspect Customer's wiring beyond the weather head or any POD before power and energy is supplied, or at any later time, and reserves the right to reject or discontinue service to Customer whose wiring, at the sole discretion of MES is deemed to be unsafe or not found in accordance with the provisions of Section 5 above. However, such inspection, or failure to inspect, or failure to reject, shall not render MES liable or responsible for any loss or damage to Customer resulting from defects in the installation, wiring, or from violation of MES's Schedule of Rules and Regulations, from violation of the National Electric Safety Code (NESC), or from accidents that may occur on Customer's premises. MES shall not be liable for any damage where Customer's wiring does not conform to applicable code or law.

9. Underground Service Lines. Customers desiring underground service lines from MES's electric system must pay the excess cost incidental thereto. Conditions, specifications, and terms for such construction will be furnished by request.

10. Customer's Responsibility for MES's Property. All meter(s), service connection(s), and other equipment furnished by MES shall be, and remain, the property of MES. Customer shall provide, at no cost to MES, a space for and exercise proper care to protect, the property of MES on its premises. In the event of loss or damage to MES's property, the cost of the necessary repair(s) or replacement(s) shall be paid by Customer.

11. Right of Access. At no cost or charge to MES, MES identified employees, assignees, and contractors shall have the right of safe ingress and egress on Customer's premises at all reasonable times, without prior notice to Customer, for the purpose of reading meters, testing, installing, monitoring, repairing, removing, exchanging, and/or inspecting, any or all equipment, primary lines, electric service lines, appurtenances, either overhead or underground, over and across the land of Customer. **Such access includes the right to remove or trim any tree that, at the sole discretion of MES, is deemed to inhibit MES's ability to safely provide electric service to the community or Customer(s). MES shall have no liability, nor compensate Customer for, the value of any tree that is trimmed, or damaged from trimming, or removing of any tree, or have any liability for any diminished value of Customer's property from the removal or trimming of any tree.** All MES owned poles, wires, cables, circuits, appurtenances, facilities, appliances, and equipment installed upon Customer's property shall at all times remain the property of MES and is removable only at the option of the MES. All such MES property shall reside on Customer's property without compensation, remuneration, or payment of any kind, to Customer, for use of Customer's property, either above or below ground. Customer shall not install wiring or attachments on poles or other equipment of MES (other than on a utility-approved metering pole), unless specifically authorized, in writing, by MES.

12. Billing. An Electric Service Bill for power and energy delivered to and used by Customer, hereafter referred to as an ESB, will be produced by MES monthly and shall become due and payable upon receipt, with a standard net payment period of not less than ten (10) calendar days, including a "day of grace", from the billing date. ESBs can be paid at the MES office located at 200 West Morford Street, McMinnville, Tennessee, or at other locations designated by MES, by mail to McMinnville Electric System, P.O. Box 608, McMinnville, Tennessee, 37111-0608, by draft, or on-line at www.mesystem.net. **MES's failure to receive**

payment for Customer's ESB for whatever reason, *will not* release Customer from payment obligation. Should the ESB not be paid by the final day of Customer's standard net payment period, MES may at any time thereafter, upon four (4) days written notice to Customer, said notice mailed via U.S. Mail to the name and address of Customer as recorded in Customer's file, discontinue supplying power and energy to Customer until the ESB is paid. ESBs paid after the final day of Customer's standard net payment period are subject to a late payment charge. Customer shall also be required to pay a Returned Check Fee as established by MES for expenses incurred by MES in the processing of checks improperly drawn, not acceptable for processing using normal commercial banking practices, or returned to MES unpaid by Customer's bank. See MES Billing, Collection, and Termination Policy and Appendix "B" for additional information.

13. Discontinuance of Service by MES. MES may refuse to connect electric service, or may discontinue supplying power and energy to Customer, upon four (4) business days' notice, for the violation of any provision of its Rules and Regulations, or for a violation or breach of the Power Supply Contract with Customer, or for breach of the Business Application for Service. MES may immediately, and without four (4) days prior written notice of termination, discontinue supplying power and energy to Customer for the theft of power and energy or, at the sole discretion of MES, the appearance of power and energy theft. The discontinuance of power and energy to Customer by MES for any cause(s) does not release Customer from their obligation to MES for the payment of ESBs as specified in either/or: Section 12 above, MES's Business Application for Service, MES's Non-Residential Rules and Regulations, and/or MES's Power Supply Contract with Customer. Any disconnection of service for charges, when due, shall be made only after reasonable prior notice to Customer. Such prior notice shall inform the Customer of the availability of a procedure for discussing any dispute with a designated MES representative authorized to review disputed bills and correct any errors. For purposes of this regulation, a sufficient reasonable prior notice to Customer shall include a notice separate from the bill, the non-payment of which will result in termination. MES will send a written notice to Customer by way of the U.S. Postal Service before service is disconnected. Additional forms of disconnect notice may include:

a. Electronic notification including text message or email, (with Customer consent), or b. Door-hanger, or c. Live phone call by MES representative, or d. Automated phone call requesting Customer contact the MES office. Any billing disputes shall be governed by MES's Disputed Bills and Hearing Appeal Procedures Policy. In the event of default of payment of any amount due, a monthly service charge may be added to the account until paid in full. If this account is placed with a collection agency, or attorney for collection or legal action, Customer will pay an additional charge equal to the cost of collection including collection agency fees, attorney fees, and court costs incurred, if any. (See Billing, Collection, and Termination Policy for additional information)

14. Connection, Re-connection, and Disconnection Charges. Charges for connection, re-connection, or disconnection of power and energy to Customer shall be at the current rates as approved by the MES Board of Public Utilities, as may be modified, changed, amended, adjusted, or replaced from time to time. Higher charges may be established, and collected, when connections and re-connections are performed after normal office hours, or when special circumstances warrant.

15. Termination of Contract by Customer. Notice to discontinue the use of power and energy supplied by MES prior to expiration of the Power Supply Contract will not relieve Customer from any minimum or guaranteed payment as defined by the General Power Rate Schedule. The General Power Rate Schedule may be modified, changed, amended, adjusted, or replaced from time to time by agreement between MES and MES's supplier of power.

16. Service Charges for Temporary Service. Customers requiring temporary electric service may be required to pay all costs for connection and disconnection incidental to the supplying and removing of electric service. This rule applies to circuses, carnivals, fairs, temporary construction, and other similar temporary power and energy requirements.

17. Standby and Resale Service. All power and energy purchased

(other than emergency or standby power and energy) and used by Customer shall be supplied exclusively by MES. Customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of power and energy provided by MES to Customer, or any part thereof.

18. Notices. Customer shall notify MES immediately should the supply of power and energy become unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of power and energy to Customer. Such notices, if verbal, should be confirmed in writing.

19. Additional Load. The service connection, transformer, meter, and equipment provided by MES to Customer has a limited capacity. No addition to the equipment or load connected thereto by Customer will be allowed except by consent of MES. Failure to give notice of additions or changes in electric load (energy), and to obtain MES's consent for same, shall render Customer liable for any damage to any of MES's lines, or equipment, or interruption of electric service provided by MES, caused by the additional or changed installation.

20. Non-Standard Service. Customer shall pay the cost of any special installation necessary to meet Customer's peculiar power and energy requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.

21. Meter Tests. MES will make periodical tests and inspections of its meters and metering equipment in order to maintain a high standard of accuracy. MES will make additional tests or inspections of its meters at the request of Customer. If the results of tests made at Customer's request verify that the meter is accurate within two percent (2%), fast or slow, no adjustment will be made in Customer's ESB, and Customer may be required to pay MES's standard testing charge. In case the test shows meter to be in excess of two percent (2%) fast or slow, an adjustment shall be made to Customer's ESB for a period not over thirty (30) days prior to date of such test, and cost of performing test shall be borne by MES.

22. Relocation of Outdoor Lighting Facilities. MES shall, at the request of

Customer, relocate or change existing MES-owned out-door lighting. Customer may be required to reimburse MES 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 applicable General Power Rate Schedule are based on billing periods of approximately one month. In the case of the first billing of new accounts and final billings of all accounts where the period covered by the billing involves fractions of a month, the demand charges will be adjusted to a basis proportionate with the period of time during which service is extended.

24. Information to Customers. MES shall reasonably inform Customer about rates and service practice policies by making such information available upon application for service or upon request by Customer, and by providing such information on MES's website at www.mesystem.net or other technological means of communication. All retail rate actions initiated by MES shall be communicated to Customers by public statement issued either through print media or electronic media in order to reach the majority of Customers in MES's service area. MES, upon request by Customer, shall provide a statement of Customer's monthly consumption for the prior 12 months if it is reasonably ascertainable.

25. Load Management Program. As part of its electric service and under a load management program conducted by MES and/or MES's power supplier, MES and/or MES's power supplier may operate load management device(s) placed upon the premises or equipment of Customer who has agreed to the installation of such device(s) in order to reduce demand upon MES's and/or MES's power supplier system. MES may, from time to time, by publishing a notice in the newspaper in McMinnville, Tennessee, on MES's web site, by notice on Customer's ESB, or by notice using other appropriate techniques, establish, modify, or rescind times, conditions, and durations of operation of load management device(s) and establish, modify, or rescind incentive payments to

be made to Customer on whose premises or equipment load management device(s) have been installed. At any time, Customer, at their option, may terminate their participation in load management program(s) operated by MES and/or MES's power supplier, after which the load management device(s) may be removed or disconnected from their premises or equipment.

26. Customer and Smart Grid Data. Upon request, using procedures established by MES, MES may make available to Customer their available energy consumption data. MES will not provide to other parties any Customer's individually identifiable energy consumption data or other individually identifiable Customer data collected by MES without Customer's authorization, using authorization procedures established by MES. Aggregated Electronic Metering Data (EMD) will be utilized only by MES and party or parties authorized by MES in order to enhance and/or improve electric system security, reliability, and efficiency and will not be provided to any other parties.

27. Interconnected Generation. Electric generators of any type and size, interconnected to MES's electric grid in any way, shape, form, fashion, or means, including wind, solar, fuel cell, reciprocating engine, hydro, and other similar electric generation devices, are required by MES to install a manual load-break AC disconnect switch or safety switch (the "Switch") between MES and the interconnected Customer's equipment. Such Switch must be able to positively isolate the generation source from the grid when needed for emergency events, to perform maintenance, or assist in the restoration of service, etc. The Switch must be able to provide a clear visible open point of disconnection, a clear visible indication of switch position, and have padlock provisions for locking the Switch in the open position. The Switch must be installed on the Customer's side of the electrical interconnection with MES, accessible to MES personnel, and located in close proximity to MES's POD. The Switch must be labeled "Generator Disconnect Switch." The Switch must isolate the Interconnected Customer and its associated generator from MES and shall be accessible to MES at all times. Failure by Customer to notify MES of Customer's generator installation, or failure

by Customer to install Switch, will result in immediate disconnection of electric service to Customer by MES until a Switch is installed and inspected by a State Electrical Inspector.

Other interconnected generation requirements may apply.

28. Scope and Posting. This Non-Residential Schedule of Rules and Regulations applies to all power and energy received by Customer from MES, whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this Schedule of Rules and Regulations, together with a copy of the applicable Non-Residential Power Rate Schedule, shall be made available for inspection at the offices of MES, and on MES's website.

29. Revisions. This Non-Residential Schedule of Rules and Regulations may be revised, supplemented, modified, changed, amended, adjusted, or replaced from time to time, without notice. Such changes, when effective, shall have the same force as the present Non-Residential Schedule of Rules and Regulations.

30. 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 the MES. If the dispute is not resolved, MES will provide the customer with information regarding TVA's Complaint Resolution Process. Customer will be provided information about the availability of the TVA Complaint Resolution Process upon application for service, at any time upon request, and through information provided on MES's website or other technological means of communication, if available.