

CITY OF MILAN
DEPARTMENT OF PUBLIC UTILITIES
SCHEDULE OF RULES AND REGULATIONS

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

2. Deposit. Whether a deposit will be required prior to establishment of residential electric service is based on a customer’s credit score. The maximum deposit amount is based on twice the monthly bill average of the residential class.

<u>Residential Deposit</u>	<u>FICO Credit Scores</u>	<u>Rating</u>
\$ 0	700-850	Satisfactory
\$ 125	660-699	Good
\$ 250	Less than 660	Fair/Poor

For general power customers, a deposit of \$200 will be required. In no event will the deposit required exceed twice the highest estimated monthly bill for the general power customer at requested location. A suitable guarantee, irrevocable letter of credit or other security deemed acceptable by Department may be accepted in lieu of a deposit. Customers with residential hardships, as determined by Department, may negotiate installment payments, but one half of deposit must be paid prior to establishment of residential electric service and remainder within thirty (30) days from the date electric service commences. Upon written request by the customer or at the discretion of Department, the deposit requirement may be re-evaluated based on the most recent electricity usage.

After deposit is paid in full, interest will accrue on a deposit held longer than twelve (12) months at the rate paid by passbook savings accounts of savings and loan institutions within Milan, Tennessee. A residential deposit will be refunded (credited to customer account) after twelve (12) consecutive months in which all payments were made on or before the due date and no payments were rejected or declined by the customer’s financial institution. The deposit balance plus any annually accrued interest will be credited to the customer’s unpaid bills upon termination of electric service or upon return of the deposit to the customer, and if any balance remains after such application is made, said balance will be refunded to customer. The deposit balance including earned interest is subject to review by customer at any time.

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

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

5. Inspections. Department 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 Department's standards; but such inspection or failure to inspect or reject shall not render Department liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of Department's rules, or from accidents which may occur upon Customer's premises.

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

7. Customer's Responsibility for Department's Property. All meters, service connections, and other equipment furnished by the Department shall be, and remain, the property of Department. Customer shall provide a space for and exercise proper care to protect the property of Department on its premises, and, in the event of loss or damage to Department'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. Department'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 the Department.

9. Billing. Bills will be rendered monthly and shall be paid within fifteen (15) days from the date the bill is mailed. Bills paid after the due date stated on said bill shall be subject to an additional charge not to exceed 5% of unpaid portion. Failure to receive a bill will not release a customer from its payment obligations. Should bills not be paid by the due date specified on bill, service may be discontinued as set out in the "Discontinuance of Service by Department" section here in. Should the due date of 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. Remittances received by mail after the due date will not be subject to such additional charges if the incoming envelope bears United States Postal Service date stamp of due date or any day prior.

10. Discontinuance of Service by Department. Department may discontinue electrical service for the violation of any of the Schedule of Rules and Regulations or of the Schedule of Rates and Charges. Department also may discontinue electrical service to the Customer for the theft of services or the appearance of theft devices on the customer's premises, for safety reasons or to be compliant with any state, city or county regulations that require disconnection for safety reasons. Any and all electrical services will be discontinued to customers with past due accounts except as provided in this rule. Payment in full (including late fee charges) will be required before service is restored. An additional deposit amount may also be required. The termination of service by Department for any reason stated in this rule does not release the customer from the

obligation for any amounts due to Department, including the payment of minimum bills as specified in contracts.

If payment is not received ten (10) days after the due date on the bill, Service will be disconnected for non-payment. No further notice will be provided before electrical service is disconnected.

Extreme Weather:

- Milan Public Utilities Department will not disconnect residential customers for nonpayment of electric service when extreme weather conditions are observed or predicted.
- Weather conditions will be researched daily at 9:00am according to www.weather.gov for zip code 38358 (Milan, TN) and will be used to determine service disconnection.
- Termination of Service will be postponed during summer months if there is a Heat Advisory in place and during winter months if the predicted low temperatures for the day or coming night is expected to be 32 degrees Fahrenheit or below.
- Extreme weather policy does not apply to General Power customers.

Upon Department's approval of completed Department medical form for certification of use of life-sustaining electric device, disconnection of service will be postponed for three (3) days upon request from the original scheduled disconnection date to allow customer time to make payment or alternative shelter arrangements. The medical form (renewed annually) must be completed by a medical doctor deemed 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 Department. A life threatening medical condition does not relieve a customer of the obligation to pay for electrical service, including any late fees incurred or other applicable charges. Department will only grant this postponement for termination three (3) times in a twelve (12) month period upon request of the customer. If full payment of the past due amount, including all late fees, is not received by the end of the three (3) day postponement period, electric service will be discontinued without further notice.

11. Connection, Reconnection and Disconnection Charges. Department 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.

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 Department 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.

14. Interruption of Service. Department 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 Department to meet the demand on its system, Department may, by an allocation method deemed equitable by Department, 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, Department 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 Department's system. Department 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 Department for each Customer have definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of Department. Failure to give notice of additions or changes in load, and to obtain Department's consent for same, shall render Customer liable for any damage to any of Department'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 Department, 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 the Department 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. Department will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. Department 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 Department'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 Department.

22. Relocation of Outdoor Lighting Facilities. Department shall, at the request of Customer, relocate or change existing Department-owned equipment. Department may establish and collect standard charges to cover the reasonable average cost, including administration, of relocating outdoor lighting facilities.

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. Scope. This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from the Department, whether the service is based upon contract, agreement, signed application or otherwise. A copy of this schedule, together with a copy of Department's Schedule of Rates and Charges, shall be kept open to inspection at the offices of Department and available on website www.mpul.com. Furthermore, a customer will also receive such information upon application for electrical service, and at any time upon request. All retail rate actions initiated by Department will be communicated to the public via the website – www.mpul.com and through advertisement in the Mirror-Exchange.

Department, on request shall provide a statement of a Customer's monthly consumption for the prior twelve (12) months if it is reasonably ascertainable.

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.