

MUSCLE SHOALS ELECTRIC BOARD SCHEDULE OF RULES AND REGULATIONS

(Effective Jan. 1, 2016)

Application for Service:

Each prospective **Customer** desiring electric service will be required to enter into a contract for service with Muscle Shoals Electric Board (MSEB). Two forms of identification are required, one of which is a government (United States, state, local or foreign) issued photo identification. Regardless of a prospective Customer's national origin, the same conditions, documents and eligibility standards shall apply to prospective Customers inquiring about or applying for service. Service will not be supplied to any applicant: a) who is indebted to MSEB or b) at the time of application is a member of a household of a former customer who is indebted to MSEB.

Deposit:

A deposit or suitable guarantee approximately equal to one and one half (1½) times the maximum monthly bill (based on either billing history at the location or engineering estimates as applicable) shall be required of all **Commercial** and **Industrial Customers** and one and one half (1½) times the highest average bill for the residential class of all **Residential Customers**, before electric service is supplied. **Residential Customers**, at time of application, will have the option to request, in return for a fee of \$3.00 paid in advance, that **MSEB** obtain the **Customer's** delinquency risk analysis from Online Utility Exchange, and if the potential delinquency risk obtained at the time of application is less than 10%, the **Customer** will be allowed to pay one half (1/2) of the normally required deposit. **MSEB** reserves the right to increase the deposit to the maximum of 2 times the highest estimated bill if the **Customer** has ever been disconnected for non-payment. Deposits for **Temporary** and **Special** installations will be determined by **MSEB**. In no case shall the deposit be more than 2 times the highest estimated monthly bill. Deposits will accrue interest annually at a rate equal to the rate earned by MSEB's deposit account. Annually at the written request of the customer, or at any time at the discretion of MSEB, the deposit balance including accrued interest may be reviewed, and the deposit requirement may be re-evaluated. Upon termination of service, **MSEB** may apply deposit including any accrued interest against unpaid bills of **Customer**, and if any balance remains after such application is made, said balance shall be refunded to **Customer**.

Point of Delivery:

The point of delivery is the point, as designated by **MSEB**, where services are 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 **MSEB**.

Customer's Wiring Standards:

All wiring of **Customer** must comply with the standards set forth by the National Electrical Code, National Electrical Safety Code, the State of Alabama Fire Marshall Regulations, and by local and county codes. The National Electrical Code and National Electrical Safety Code are superseded by the state or local codes if it is not as stringent, but in all cases are the minimum acceptable standards. All meter locations, for both underground and overhead services, must be

approved by a representative of **MSEB**. **MSEB** shall not be obligated to provide protective equipment for the Customer's lines, facilities, or equipment, and the Customer shall provide such protective equipment as necessary for the protection of its own property and operations.

Inspections:

MSEB 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 **MSEB's** standards; but such inspection or failure to inspect or reject shall not render **MSEB** liable or responsible for any loss or damage resulting from defects in the installation wiring, or appliances, or from violation of **MSEB's** rules, or from accidents which may occur upon the **Customer's** premises. An inspection certificate from the City of Muscle Shoals Electrical Inspector is required before any new service is connected.

Underground Service Lines:

Customers desiring underground service lines from **MSEB's** overhead system must bear the excess cost incident thereto. **MSEB**, upon request, will furnish specifications and terms for such construction.

Service to New Subdivisions:

In new subdivisions developers must provide **MSEB** with proper easements and right-of-ways in order to obtain electric service. When all easements and right-of-ways have been secured, **MSEB** will install overhead electric service at no cost to the developer. Underground service may be obtained in accordance with **MSEB's** policies regulating residential underground services.

Customer's Responsibility for MSEB Property:

All meters, service connections, and other equipment furnished by **MSEB** shall be, and remain, the property of **MSEB**. **Customer** shall provide a space for and exercise proper care to protect the property of **MSEB** on its premises and, in the event of loss or damage to **MSEB's** property arising from neglect of **Customer** to care for the same, the cost of the necessary repairs or replacements shall be paid by **Customer**. **Customer** shall control new and existing trees and shrubbery and placement of obstructions so as to prevent interference with utility lines and other **MSEB** facilities. In the event such facilities are interfered with, **MSEB** reserves the right to trim or remove such obstructions. In the event that facilities are entered into, tampered with in such a way as to allow any service to be illegally consumed, or the measurement of that usage to be impaired, a tampering fee as described in "MSEB Non-Refundable Fees" will be assessed to the Customer of record and/or the occupant of the property where such tampering occurred, and the Customer of record and/or occupant of the property shall indemnify **MSEB** for its estimated loss of revenue, if any, resulting there from, as well as against any death, injury, loss or damage resulting there from, including but not limited to **MSEB's** cost of repairing, replacing, or relocating any such facilities.

Right of Access:

MSEB's identified employees shall have right of access to **Customer's** premises at all reasonable times for the purpose of reading meters, testing, repairing, maintaining, removing or exchanging any or all equipment belonging to **MSEB**. **MSEB** may, at its discretion, utilize or upgrade existing facilities on **Customer's** property for the additional purpose of serving other properties.

Billing:

Bills will be rendered monthly and shall be paid within fifteen (15) days from date of bill at the office of **MSEB**. Failure to receive bill will not release **Customer** from payment obligation. Bills paid after the due date shall be assessed an additional 5% penalty. Net rates will be accepted by **MSEB** 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. If the due date of payment at the net rates falls on a weekend or holiday, the next business day following the final date will be held as a day of grace for delivery of payment. If payment is not received by the end of the net payment period, **MSEB** may, six days following the mailing of a written Final Notice (with available rights and remedies) discontinue service without further notice.

Discontinuance of Service by MSEB:

MSEB may refuse to connect or discontinue service for the violation of any of its Rules and Regulations, or for violation of any of the provisions of Rates and Charges. **MSEB** may discontinue service to **Customer** for the theft of current or the appearance of current theft devices on the premises of the **Customer**. The discontinuance of service by **MSEB** for any causes as stated in these rules does not release **Customer** from his obligation to **MSEB** for the payment of minimum bills as specified in application of **Customer** or contract with **Customer** or any other amounts owed to **MSEB**.

MSEB evaluates weather conditions daily at www.weather.gov for Muscle Shoals, AL 35661, and in the event that the forecasted high temperature is not expected to exceed 32°F or if the forecasted low temperature is not expected to exceed 20°F in the winter, or to be more than 98°F in the summer, on that day, **MSEB** will temporarily postpone discontinuance of service for residential customers for non-payment. In the event that **MSEB** extends service due to extreme weather, the extension shall not extend past the extreme weather event or past the customer's next due date, whichever comes first.

MSEB may temporarily postpone discontinuance of service for residential customers for non-payment where **MSEB** has received written verification of the need for life support equipment in the **Customer's** household from the **Customer's** physician as provided in this section. The term "life support equipment" as used in this section shall mean any medical device that is electrically operated on a 24-hour a day continuous basis to avoid the loss of life. In order to obtain this verification from the physician, **MSEB** may require the **Customer** to execute a certified statement about the life support equipment. **MSEB** may then request the **Customer's** licensed physician to verify the need for the equipment. After receipt of the physician's written verification, **MSEB** will then place the **Customer's** household on life support status. **MSEB**

will maintain a list of all households on life support status. The **Customer** shall notify **MSEB** of any change in life support status. **MSEB** may periodically confirm the life support status of any household by requiring the **Customer** to execute an updated certified statement and requesting the physician to verify the continuing need for life support status. **MSEB** shall have no obligation to put any household on life support status if the **Customer** fails to execute the certified statement or if **MSEB** never receives the physician's written verification of need for the life support equipment. In the event that **MSEB** extends service due to life support status, the extension shall in no case extend past the customer's next due date.

Reconnection Charge:

Whenever service has been discontinued by **MSEB**, as provided above or if a trip is made for the purpose of discontinuing service, a charge as set out in "MSEB Non-Refundable Fees" may be collected by **MSEB** before service is restored.

Termination of Contract by Customer:

Customers who have fulfilled their contract terms and wish to discontinue service must give at least (3) days written notice to that effect, unless contract specified 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.

Service Charges for Temporary Service:

Customer requiring electric service on a temporary basis may be required by **MSEB** 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.

Interruption of Service:

MSEB 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.

Shortage of Electricity:

In the event of an emergency or other condition causing a shortage in the amount of electricity needed by **MSEB** to meet the demand on its system, **MSEB** may, by an allocation method deemed equitable by **MSEB**, 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, **MSEB** 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.

Voltage Fluctuations or Disturbances Caused by Customer:

Electric service must not be used in such manner as to cause unusual fluctuations, harmonic disturbances, or other disturbances to the **MSEB** system. **MSEB** may require **Customer**, at this own expense, to install suitable apparatus, which will reasonably limit such fluctuations and/or correct the problem (s).

Additional Load:

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

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

Notice of Trouble:

Customer shall notify **MSEB** 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.

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.

Meter Tests:

MSEB will, at its own expense and discretion, make tests and inspections of its meters in order to maintain a high standard of accuracy. **MSEB** will make additional tests or inspections of its meters at the request of **Customer**. The **Customer** may be required to pay meter test fee as set out in "MSEB Non-Refundable Fees" in order to get a meter tested. If the test shows that the meter is inaccurate the fee will be refunded. If the test shows that the meter is accurate the **Customer** will forfeit the fee.

Relocation of Outdoor Electrical Facilities:

MSEB shall, at the request of the **Customer**, relocate or change existing **MSEB** owned equipment if practicable. **Customer** shall reimburse **MSEB** for such changes actual cost, including appropriate overheads.

Customer's Energy Use Data:

Upon written request, **MSEB** will make available to customer's their energy consumption data for the prior 12 months. **MSEB** will not provide to other parties any customer's individually identifiable energy consumption data or other individually identifiable customer data collected by **MSEB** without the customer's written authorization. Aggregated energy use data will be utilized only by **MSEB** and parties authorized by **MSEB** in order to enhance system security, reliability, and improve system efficiency and will not be provided to any other parties except with **MSEB** approval. Nothing in this paragraph limits TVA's rights as provided under the Wholesale Power Contract.

Scope:

This schedule of Rules and Regulations and Service Policy is a part of all contracts for receiving electric services from **MSEB**, whether the service is based upon contract, agreement, signed application, or otherwise. All retail rate actions by **MSEB** will be communicated to the public. A copy of this schedule, together with a copy of **MSEB's** Schedule of Rates, Service Policy and Charges, approved in an open **MSEB** Board of Directors meeting, shall be kept open to inspection at the office of **MSEB**, or may be found on our website at www.mseb.net. Upon application for service, new customers are informed about rates and SPPs and told where they can obtain copies of this information.

Revisions:

These Rules and Regulations and Service Policy 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 and Service Policy.

Conflict:

In case of conflict between any provision of any rate schedule and the Schedule of Rules and Regulations and Service Policy, the rate schedule shall apply.

These basic Rules and Regulations are subject to further interpretation; definition and specifications as set forth in the Service Policy of **MSEB**. In case of conflict between the Rules and Regulations and either the published rate schedules or the Service Policy, the order of application shall be first the rate schedule, secondly the Rules and Regulations, and then the Service Policy.