



"Pioneers In America's Rural Electrification"

Schedule of Rules and Regulations

Currently in effect as of April 2015 and including proposed revisions subject to approval of the Tennessee Valley Authority and the Pontotoc Electric Power Association Board of Directors

1. APPLICATION FOR SERVICE

Each prospective customer desiring electric service may be required to sign Pontotoc Electric's standard form of application for service or contract before service is supplied by Pontotoc Electric.

2. DEPOSIT REQUIREMENTS

See Service Policy No. 1 entitled Deposits for information.

3. INFORMATION TO CONSUMERS

Pontotoc Electric Power Association shall upon request give its customers such information and assistance as may be reasonable so customers may obtain efficient and reasonably adequate service. Pontotoc Electric will reasonably inform customers about rates and service practice policies by making such information available upon application for service and at any other time upon request. Pontotoc Electric, upon request, will provide a statement on the monthly consumption for the prior 12 months if it is reasonably ascertainable. Pontotoc Electric, as it determines appropriate, will utilize channels such as mail, radio, television, and website (www.pepa.com) to inform customers about rates, local rate adjustments, and service policies.

Residential customers may designate in writing another person to receive all notices regarding past due bills and disconnection of service. Once that designation has been made, any changes in name or other essential information about the designated person must be made in writing on the Pontotoc Electric Designation Form. In the event a customer designates someone to receive notices on their behalf, notices will only be sent to the designated person and only the designated person will be contacted. The customer should consider carefully when choosing a designated person to receive the customer's notices and act on the customer's behalf due to the seriousness of relinquishing the customer's individual decision-making power. Pontotoc Electric will not be responsible for differences of opinions, misunderstandings, failure to act responsibly, failure to act in a timely manner, or any other consequence that results from an action, or the lack thereof, between the customer and their designated person.

COMPLAINTS – Pontotoc Electric shall make a full and prompt investigation of all complaints made by its customers either directly or through other channels. Pontotoc Electric shall keep a record of all complaints to include the name and address of the complainant, the date and character of the complaint, the adjustment or disposal made thereof, and the date of such adjustment or disposal. For purposes of this rule, the word "complaint" shall be construed to mean an objection to the application

and/or computation of charges, facilities, or service of Pontotoc Electric made during office hours to an employee on duty.

COMPLIANCE BY CUSTOMER – Pontotoc Electric may decline to serve a customer or prospective customer until the customer has complied with all state and/or municipal regulations governing the service applied for and has also complied with the reasonable Rules and Regulations of the utility.

INADEQUATE FACILITIES – Pontotoc Electric may decline to serve an applicant for service, or materially change the service of any customer, if in its judgment, it does not have adequate facilities to render the service applied for or the desired service is of such character that it is likely to affect unfavorably the service to other customers; provided if Pontotoc Electric is otherwise obligated to serve the applicant or change the service of the customer, it shall do so as it may reasonably provide the required facilities.

HAZARDOUS EQUIPMENT – Pontotoc Electric may refuse to serve a customer if, in its best judgment, the customer's installation of equipment is regarded as hazardous or of such character that satisfactory service cannot be given. (This shall not be construed as any duty upon Pontotoc Electric to determine the safety or suitability of a customer's installation of equipment for the use intended.)

FOR INDEBTEDNESS – Pontotoc Electric may decline to serve any applicant who is indebted to the utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the deposit covering the amount of the disputed bill. Service shall not be discontinued pending settlement of the dispute. Upon settlement of the dispute by any means permitted or provided by law, the deposit covering the amount of the disputed bill shall be promptly repaid to the customer if the investigation reveals that Pontotoc Electric was in error.

VIOLATION OF RULES AND REGULATIONS – Pontotoc Electric shall have the right to discontinue service to any customer for violation of its Rules and Regulations or for nonpayment of bills, but only after first using due diligence to give the customer notice of such violation or delinquency and reasonable opportunity to comply with its Rules and Regulations or pay the bills. Such reasonable notice is considered to be at least five (5) days written notice provided to the customer by Pontotoc Electric. This notice shall include a date on or after which discontinuance may occur. Such notice will be given by Pontotoc Electric by mailing by U. S. mail, postage prepaid, to the known address of the customer or providing a door hanger at the service location. In the event of fraudulent, careless, negligent, or unlawful use of the commodity or service, or where a dangerous condition is found to exist on the customer's premises, service may be discontinued without advance notice.

Pontotoc Electric shall not discontinue service for nonpayment of bills to a residential customer on any Saturday or Sunday or any holiday observed by Pontotoc Electric unless Pontotoc Electric is open to accept payment (including, but not limited to, a money order) and restore service on those days.

Pontotoc Electric shall reconnect service in a prompt and efficient manner no later than the first business day after the balance due has been received by Pontotoc Electric, except under extreme circumstances where ongoing restoration efforts prevent reconnection from occurring within that time period.

The issuance of a bad check is considered a fraudulent transaction, and in such case, service may be disconnected 24 hours after notice has been provided to the account holder via a door hanger at the service location.

PAYMENT OF DELINQUENT ACCOUNTS – A customer shall have the privilege of paying any delinquent account at any time prior to the actual disconnection or turning off of service. Residential customers shall have the right to negotiate with Pontotoc Electric a delayed payment plan to avoid discontinuation of service for a delinquent account in accordance with Pontotoc Electric’s terms and conditions.

Pontotoc Electric shall not discontinue service to a residential customer for failure to pay a delinquent account if the residential customer has been approved for Low Income Home Energy Assistance Program (LIHEAP) benefits in an amount equal to the delinquent balance, payable within thirty (30) days, and the notice of the approval has been provided to Pontotoc Electric.

Whenever Pontotoc Electric dispatches an employee to the premises of any customer for the purpose of discontinuing service for nonpayment, and the payment of such account is made to such employee without service actually being disconnected, a service fee shall be added to and collected as a part of such delinquent account to cover, in part, the cost of dispatching such employee to the customer’s premises. When service has actually been discontinued on account of the failure of the customer to pay a delinquent account or for any other reason without fault of Pontotoc Electric, if the customer desires the service to be restored at the same location, Pontotoc Electric shall require the customer to pay an additional reconnection charge. The charges set forth in this paragraph will be decided by the governing board of Pontotoc Electric and may be changed from time to time by that board. Upon request of the customer, a schedule of current fees will be provided by Pontotoc Electric and is also available on the Pontotoc Electric website (www.pepa.com).

NOTICE OF DELINQUENCIES – Notice of delinquencies shall be considered to be given to the customer when a copy of such notice is left with such customer, left at the premises where service is provided, posted in the U. S. mail addressed to the customer at his last known address, or given by placing either a live or pre-recorded telephone message to a telephone number on record with the Association. It shall be the customer’s responsibility to notify Pontotoc Electric of any changes in mailing addresses and telephone numbers.

CHANGE IN LOCATION OF SERVICE OR PREMISES SERVED – When at a customer’s request, the utility changes the location or premises at which service is rendered, the service at the new and old locations or premises and the account therefore shall, for the purposes of these rules, be deemed one service and one account, and the change of the location or premises to which service is rendered shall not be deemed to affect the rights of Pontotoc Electric with regard to the application of deposit or discontinuance of service for non-payment of the account.

4. BILLING

RENDERING AND FORM OF BILLS – Bills to customers shall be rendered regularly and shall show the meter reading and date at the end of the period covered by the bill, the quantity consumed, the gross and/or net amount of the bill, the dates of the bill or of delinquency, and if practicable, the designation of the applicable rate schedule and other essential facts upon which the bill is based. Failure to receive a bill will not release the customer from payment obligation. Should bills not be paid by due date specified on bill, Pontotoc Electric may at any time thereafter, upon five (5) days written notice to customer, discontinue service. Bills paid after the due date specified on the bill may be subject to additional

charges. Such additional charges may apply to remittances received by mail after the due date. Should the due date of the bill fall on Saturday, Sunday, or holiday observed by Pontotoc Electric, the next business day following the due date will be held as a day of grace for delivery of payment. Pontotoc Electric will have a standard net payment period for residential customers of not less than 15 days, and for other classes of service not less than 10 days, after the date of the bill. Pontotoc Electric may establish for any class of service a late payment charge of no more than five (5) percent for any portion of the bill paid after the net payment period.

DISPUTED BILLS – In the event of a dispute between the customer and Pontotoc Electric regarding any bill, Pontotoc Electric shall forthwith make such investigation as shall be required by the particular case and report the results thereof to the customer. When the amount to be paid is in question, the customer may make a deposit with Pontotoc Electric covering the amount of the disputed bill whereupon service shall not be discontinued pending settlement of the dispute. Upon settlement of the dispute by any means permitted or provided by law, the balance, if any, due the customer shall be promptly repaid.

SEPARATE METERING AND BILLING – Separate customer premises shall be metered and billed separately even if under common ownership, and combined metering or billing shall not be permitted. Such premises shall be considered separate when not on the same tract or contiguous tracts of land, or served from separate services, or when each is a complete unit not physically integrated with, or essentially a part of the other or others. Tracts of land separated by public streets, roads, or alleys shall be considered non-contiguous tracts. This rule does not require that existing office or apartment buildings separate the services to each office or apartment in the individual buildings.

5. TERMINATION OF SERVICE

TERMINATION OF SERVICE – Pontotoc Electric 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 the customer or contract with the customer. The discontinuance of service by Pontotoc Electric for any causes as stated in this rule does not release the customer from his obligation to Pontotoc Electric for the payment of minimum bills as specified in the application of the customer or contract with the customer. Service may not be terminated for nonpayment of a bill except after affording the affected customer due process. Reasonable prior written notice (including notice of available rights and remedies) shall be given before termination for nonpayment.

POSTPONEMENT OF TERMINATION FOR MID-WINTER PERIOD – For the months of December, January, February, and March of each year, residential customers who are unable to pay the full amount of their Pontotoc Electric bill because of extreme financial difficulty may qualify for the mid-winter rule which prohibits disconnection of service in those cases where the customer has complied with the following:

1. The customer shall inform Pontotoc Electric of the customer's inability to pay the power bill in full due to extreme financial difficulty and shall, prior to the cutoff time provided in the notice of cutoff, complete and sign a financial hardship form available from Pontotoc Electric.
2. Upon receipt of the above, Pontotoc Electric shall be prohibited from disconnecting the customer's service during the months of December, January, February, and March if the customer agrees to the following extended payment plan:
 - a. First, the customer shall pay Pontotoc Electric in full all amounts due on utility bills rendered to the customer prior to November 11th.

- b. Second, Pontotoc Electric shall determine the monthly amount the customer would pay for power under Pontotoc Electric's level payment plan as provided for in Pontotoc Electric's filed tariff or by adding the amounts charged to the customer for power service for the previous 12 months and dividing the sum by twelve. If the customer has not received service from Pontotoc Electric for a sufficient period of time to determine a level payment amount for that specific customer, Pontotoc Electric will use a level payment amount for an average residential customer in the same geographical location.
 - c. Third, the customer shall enter into a special payment plan, the first payment of which will be due upon execution of the plan, under which the customer shall pay Pontotoc Electric a sum equal to 133% of the levelized billing amount for the customer until such time as all amounts due to Pontotoc Electric from previous power service have been paid and the customer is current in his power bill. Thereafter, at the option of Pontotoc Electric, the customer may be required to participate in Pontotoc Electric's level payment plan and shall pay the utility each month, the levelized billing amount applicable to that particular customer.
3. Should the customer enter into an agreement with Pontotoc Electric as set forth above and fail to abide by the terms of that agreement, Pontotoc Electric shall have the right to terminate service to the customer after giving at least five days written notice to the customer. Provided, however, a customer's service shall not be terminated under circumstances during the months of December, January, February, or March if the customer has provided Pontotoc Electric with a Medical Hardship Form completed and signed by a licensed physician certifying that the discontinuance of domestic heating service to the customer would create a medical emergency for the customer or any member of the customer's household. The physician must be licensed in Mississippi or one of the states adjoining Mississippi. Medical Hardship Forms are available at Pontotoc Electric offices in Pontotoc and Bruce. The Medical Hardship Form signed on behalf of a licensed physician must be presented to Pontotoc Electric as an original document and bearing the original signature of the licensed physician.
4. Any customer claiming the benefit of the "medical hardship" exception to this rule shall not have service terminated following the expiration of the mid-winter period if, by April 1st following the mid-winter period the customer agrees to pay, and does pay, to Pontotoc Electric a sum equal to 133% of the levelized billing amount provided for above from and after April 1st and until such time as all amounts due Pontotoc Electric for previous power service have been paid and the customer is current in his power bill.
5. Pontotoc Electric shall issue a receipt to the customer acknowledging receipt of the Medical Hardship Form delivered by the customer pursuant to this rule.
6. Any customer claiming the privilege of this rule may be required to sign a waiver permitting Pontotoc Electric to obtain income or benefit information from any public or private agency or from any private employer. Pontotoc Electric shall not divulge this information to any person or entity other than the customer or the Public Service Commission without the consent of the customer.
7. Notwithstanding any other provision of this rule to the contrary, a customer shall not be allowed to carry forward any unpaid balance due under the provisions of this plan beyond December 1st of the following winter season.
8. Nothing herein shall prevent Pontotoc Electric and the customer from agreeing on a different payment plan more acceptable to the customer than the plan set forth above.

POSTPONEMENT OF TERMINATION FOR MEDICAL HARDSHIP – In the event of life-threatening medical situation, Pontotoc Electric shall not discontinue service to any residential customer for a period of 30

days for nonpayment when Pontotoc Electric receives the signed and completed Medical Hardship Form from a physician licensed to practice in the State of Mississippi or any adjoining state certifying that discontinuance of service would create a life-threatening situation for the customer or other permanent resident of the customer's household. The Medical Hardship Form must be presented to Pontotoc Electric as an original document and bearing the original signature of the licensed physician.

Pontotoc Electric shall provide and make available the Medical hardship Form to its customers at all offices for use by the customer in certifying the life-threatening situation. Pontotoc Electric shall issue a receipt to the customer acknowledging receipt of the signed and completed Medical Hardship Form pursuant to this rule.

If full payment of the past due amount is not received by the end of the postponement period, electrical service will be disconnected with no prior written notice. This postponement is allowed no more than two (2) times per twelve (12) month period.

NON-UTILITY SERVICE – Pontotoc Electric shall not discontinue service to any customer for failure to pay Pontotoc Electric for non-utility services or products. However, failure by the customer to pay for non-utility services or products can render the customer in not-of-good-standing with Pontotoc Electric, and Pontotoc Electric shall not have any duty to provide any future electric service or change in location of electric service to any customer who is not-of-good-standing until all past indebtedness has been paid in full.

POSTPONEMENT OF TERMINATION FOR EXTREME WEATHER – Pontotoc Electric shall not discontinue power service to a residential customer for nonpayment of bills if, as of 8:00 a.m. on the scheduled disconnection day, a Freeze Warning has been issued by the National Weather Service for the county of the scheduled disconnection.

Pontotoc Electric shall not discontinue power service to a residential customer for nonpayment of bills if, as of 8:00 a.m. on the scheduled disconnection day, an Excessive Heat Warning has been issued by the National Weather Service for the county of the scheduled disconnection.

Nonpayment of bills on the scheduled disconnection day is defined as the discontinuation of electric service on the date that the account would have normally been terminated. This exemption for temperature does not apply to discontinuation of service due to other reasons such as bad checks, meter tampering, theft of electricity, electrical safety issues, or failure to fulfill an extended payment agreement.

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

6. POINT OF DELIVERY

The point of delivery is the point, as designated by Pontotoc Electric, on the customer's premises where the current is to be delivered to the building or premises. All wiring and equipment beyond this point of delivery shall be provided and maintained by the customer at no expense to Pontotoc Electric.

7. CUSTOMER'S WIRING STANDARDS

All wiring must conform to Pontotoc Electric's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electrical Code.

8. SYSTEM PROTECTION

Pontotoc Electric shall install only such system protective devices that it deems necessary to protect Pontotoc Electric's transformers, lines, secondaries, services, and equipment on the utility side of the 'service point.' It is the customer's responsibility to install such protective equipment on the customer's side of the 'service point' to protect the customer's wiring, equipment, property, and personnel against overcurrents, over and under voltage, sags and surges, transient voltages and currents, phase or ground faults, and single-phasing. Pontotoc Electric shall not be responsible for failure of the customer to provide, inspect, and properly maintain said customer's protective devices, or any loss or injury resulting thereof. Any claim for negligence upon Pontotoc Electric must be supported by clear and convincing evidence and not by circumstantial evidence or a preponderance of the evidence.

9. INSPECTION

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

10. UNDERGROUND SERVICE LINES

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

11. CUSTOMER'S RESPONSIBILITY FOR PONTOTOC ELECTRIC EQUIPMENT

All meters, service connections, and other equipment furnished by Pontotoc Electric shall be and remain the property of Pontotoc Electric. Customers shall provide a space for and exercise proper care to protect the property of Pontotoc Electric on its premises, and, in the event of loss or damage to Pontotoc Electric'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.

12. RIGHT TO ACCESS

Pontotoc Electric's identified employees shall have access to the customer's premises at all reasonable times for the purpose of reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to Pontotoc Electric.

13. CONNECTION, RECONNECTION, AND DISCONNECTION CHARGES

Pontotoc Electric may establish and collect standard charges to cover the reasonable average cost, including administration, of connecting and 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.

14. SERVICE CHARGES FOR TEMPORARY SERVICE

Customers requiring electric service on a temporary basis may be required by Pontotoc Electric 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.

15. INTERRUPTION OF SERVICE

Pontotoc Electric will use reasonable diligence in supplying current but shall not be liable for breach of contract in the event of loss, injury, or damage to persons or property resulting from interruptions in service, shortage of electricity, excessive or inadequate voltage, single-phasing, acts of God, acts of terrorists, severe weather conditions, excessive heat or cold, or otherwise unsatisfactory service unless caused by sole and gross negligence on the part of Pontotoc Electric. Any claims of sole and gross negligence on the part of Pontotoc Electric must be proven only by 'clear and convincing evidence' and not by 'a preponderance of the evidence' or 'circumstantial evidence.'

16. SHORTAGE OF ELECTRICITY

In the event of any emergency or other condition causing a shortage in the amount of electricity for Pontotoc Electric to meet the demand on its system, Pontotoc Electric may, by an allocation method deemed equitable by Pontotoc Electric, fix the amount of electricity to be made available for use by the customer and/or may otherwise restrict the time during which the customer may make use of electricity and the uses which the customer may make of electricity. If such actions become necessary, the customer may request a variance because of unusual circumstances including matters adversely affecting the public health, safety, and welfare. If the customer fails to comply with such allocations or restrictions, Pontotoc Electric 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.

17. VOLTAGE FLUCTUATION CAUSED BY CUSTOMER

Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to Pontotoc Electric's system. Pontotoc Electric may require the customer, at his own expense, to install suitable apparatus which will reasonably limit such fluctuations.

18. ADDITIONAL LOAD

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

19. STANDBY AND RESALE SERVICE

All purchased electric service (other than emergency or standby service) used on the premises of the customer shall be supplied exclusively by Pontotoc Electric, and the customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.

20. NOTICE OF TROUBLE

The customer shall notify Pontotoc Electric immediately should 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.

21. NON-STANDARD SERVICE

The 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 regulations than required by standard practice. Pontotoc Electric reserves the right to refuse to supply a non-standard voltage to those not normally found in the southeastern United States. Pontotoc Electric may also refuse to supply a 'standard' voltage to a particular installation where it would be unusual by standard practice for that particular installation to utilize such a voltage, or where such requested voltage or phasing is not readily available at that geographic location.

22. METER TESTS

Pontotoc Electric will, at its own expense, make periodic tests and inspections of its meters in order to maintain a high standard of accuracy. Pontotoc Electric will make additional tests or inspections of its meters at the request of the customer. One such test per year will be at no expense to the customer. If tests made at the customer's request show that the meter is accurate within two percent (2%) slow or fast, no adjustment will be made in the customer's bill and the cost of testing will be paid by the customer, after the first test in any year. In case the test shows the meter to be in excess of two percent (2%) fast or slow, an adjustment shall be made in the customer's bill over a period of not more than thirty (30) days prior to the date of such test, and the cost of making the test shall be borne by Pontotoc Electric.

23. RELOCATION OF OUTDOOR LIGHTING FACILITIES

Pontotoc Electric may, at their option and upon request by the customer, relocate or change existing Pontotoc Electric-owned equipment. The customer shall reimburse Pontotoc Electric for such changes at actual cost including appropriate overheads.

24. BILLING ADJUSTED TO STANDARD PERIODS

The demand charges and blocks in 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 excepted), and final billings of all accounts (temporary service excepted), where the period covered by the billings 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.

25. RESIDENTIAL ENERGY SERVICES PROGRAM

Pontotoc Electric, in fulfillment of the purposes and provisions of the Tennessee Valley Authority Act and as part of its electric service, participates in TVA's residential energy services program. Pontotoc Electric makes available resources for members to improve the energy efficiency of their homes, subject to the provisions of the Residential Energy Services Program. Pontotoc Electric may also make available incentives to participants to encourage the installation and efficient use of electric appliances and devices in dwellings.

26. SCOPE

This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from Pontotoc Electric, whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this schedule, together with a copy of Pontotoc Electric's Schedule of Rates and Charges, shall be kept open to inspection at the offices of Pontotoc Electric.

27. 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.

28. CONFLICT

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