

# SAWNEE EMC

## SERVICE RULES & REGULATIONS

(January 2019)



### IMPORTANT NOTICE:

**Please note the effective date shown above. The Service Rules and Regulations established by the Board of Directors of Sawnee EMC are subject to change, without notice.**

**For a copy of the applicable requirements in effect, at this time, please contact Sawnee EMC's Customer Service Center at (770) 887-2363.**

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## **SECTION 1 – OVERVIEW AND INTRODUCTION**

The staff of Sawnee EMC has developed this list of general Service Rules and Regulations to communicate to the staff of the Georgia Public Service Commission, and to the public in general, the various Board approved policies that Sawnee EMC will use in the area of providing service to its members.

This language consists of excerpts from the various policies that Sawnee EMCs Board of Directors has approved separately to control the various aspects of the Corporation's service. The text contained in this document, when taken in context with the Bylaws of the Corporation, the Application for Membership, the various electric service rates and the other documents that control the method of service, constitutes the guidelines under which service will be provided.

It should be noted that the various forms, referenced herein and associated with these policies, have been eliminated from this document to conserve space. These forms can be obtained by contacting the Office of the President and CEO.

**Note:** All forms referenced herein have been removed to conserve space and can be obtained by contacting SEMC directly.

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## SECTION 2 – SERVICE FEES (NO. 302)

### A. TYPE OF SERVICE

#### 1. MEMBERSHIP FEE

- a. A fee of \$5.00 will be charged each time a person establishes or re-establishes a membership with Sawnee EMC as prescribed in Section 1.02, 1.03 and 2.05 of the Corporation's Bylaws.
- b. This is a "non-refundable" fee.
- c. All "refundable" membership fees collected prior to August 1, 2001, will be returned to the respective member at the termination of their membership.

#### 2. SERVICE CONNECTION

- a. A fee of \$45.00 will be charged for the establishment of initial connection of an existing service. The fee is in addition to the membership fee and security deposit requirements. Multiple service connection fees, on a per member basis, may not apply for services in the same general proximity.
- b. A service charge of \$45.00 may be applied for service calls made in response to a consumer's request for the connection, reconnection, or disconnection of their electric service if the consumer withdraws such request after the service call has been made and after the employee has been dispatched to the location.
- c. The amount of fees described in this section applies to services that can be provided during regular working hours (8:00 a.m. to 5:00 p.m., Monday through Friday, excluding the Corporation's holidays). For services provided after this time (e.g., during weekends or holidays, or otherwise outside a normal work day as described herein), a service charge of \$100.00 will apply. All requests for "same day" service must be received on a regular business day prior to 3:30 p.m.

#### 3. SERVICE RECONNECTION

- a. A fee of \$45.00 will be charged for the reconnection of any service that has been disconnected due to non-payment of charges accrued to the service account for electric service or other related charges or because of failure to comply with established rules and regulations of the Cooperative. Other related charges are defined as membership fees, service security deposits, service fees, test fees and fees charged for payment failures. This fee will also apply when reconnection occurs after termination as a result of a determination that the application for service

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was not properly executed, as required by the rules and regulations of the cooperative.

- b. A service charge of \$45.00 may be collected for service calls made in response to a consumer's request for the connection, reconnection, or disconnection of their electric service if the consumer withdraws such request after the service call has been made and after the employee has been dispatched to the location.
- c. The amount of the service fees described in this section applies to services that can be provided during 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding the Corporation's holidays. For services provided after this time (e.g., during weekends or holidays, or otherwise outside a normal work day as described herein), a service charge of \$100.00 will apply. All requests for "same day" service must be received on a regular business day prior to 3:30 p.m.
- d. For services provided after the above-referenced times, a service charge of \$100.00 will apply.
- e. The Cooperative may, at its own discretion, elect to charge \$235.00 for providing this service, Monday through Sunday between the hours of 9:00 p.m. and 8:00 a.m.

#### 4. DISCONNECTION

- a. A fee of \$45.00 will be charged for accounts that are scheduled for disconnection for the failure to pay electric service charges or other related charges. This fee is in addition to any outstanding charges due at the time.
- b. The amount of the service fees described in this section applies to services that can be provided during 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding the Corporation's holidays. For services provided after this time (e.g., during weekends or holidays, or otherwise outside a normal work day as described herein), a service charge of \$100.00 will apply. All requests for "same day" service must be received on a regular business day prior to 3:30 p.m.
- c. The Cooperative may, at its own discretion, elect to charge \$235.00 in addition to the fees described above for providing this service, Monday through Sunday between the hours of 9:00 p.m. and 8:00 a.m.

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## 5. LATE PAYMENT

### a. RESIDENTIAL SERVICE

- 1) Provisions as outlined under this section of the policy are applicable to accounts defined as residential in Policy 307, Service Security Deposit – Residential.
- 2) To encourage prompt payment and to avoid direct and indirect costs associated with late payment of residential accounts, rebilling, disconnect for non-payment procedures and other costs to the Corporation, it will, subject to the right of waiver in subparagraph (4) of this section, assess a late payment penalty equaling the greater of \$15.00 or 1.5% for all residential accounts which have a past due balance. This penalty is in addition to any outstanding charges due at the time of the penalty.
- 3) For balances 30 days or greater past due, interest at the rate of 1.5% per month will be charged on the outstanding qualifying balance (e.g. only the balance that meets this standard) from the date the bill is rendered.
- 4) The Cooperative may, at its own discretion, elect to waive the fee for the first time a residential account is considered past due.

### b. COMMERCIAL SERVICE

- 1) Provisions as outlined under this section of the policy are applicable to accounts defined as commercial as outlined in Policy 312, Service Security Deposit – Commercial.
- 2) To encourage prompt payment and to avoid direct and indirect costs associated with late payment of commercial accounts, rebilling, disconnect for non-payment procedures and other costs to the Corporation, it will, subject to the right of waiver in subparagraph (4) of this section, assess a late payment penalty equaling the greater of \$30.00 or 1.5% for all commercial accounts which have a past due balance. This penalty is in addition to any outstanding charges due at the time of the penalty.
- 3) For balances 30 days or greater past due, interest at the rate of 1.5% per month will be charged on the outstanding qualifying balance (e.g. only the balance that meets this standard) from the date the bill is rendered.
- 4) The Cooperative may, at its own discretion, elect to waive the fee for the first time a commercial account is considered past due.

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6. PAYMENT FAILURE FEE

- a. A fee of \$35.00 will be charged to an electric service account of a member who submits to the Corporation a payment instrument for processing such as, but not limited to, a check later returned by their bank, a credit card charge back, a false bank draft, a charge back CheckFree request or any other payment instrument, as payment for his / her financial obligations which is recalled or deemed to be non-negotiable for any reason.

7. METER TESTS

- a. A service fee will be charged for meters tested more frequently than every 12 months when requested by the member for the verification of the accuracy of the meter. The following schedule of fees will apply:

Single Phase Meters	\$45.00
Multi-Phase Meters	\$100.00

A member who requests a meter test be conducted by an outside testing firm will be required to pay a minimum fee of \$45.00 plus any other charges billed to the cooperative for the test.

8. MISCELLANEOUS

- a. A service charge of \$45.00 may be required for service calls made by cooperative personnel for investigation of any service problems or interruptions when the cause is found to be due to problems with equipment owned by the consumer.
- b. A service charge of \$175.00 may be required in response to a request to render a containment letter or quit claim deed associated with Sawnee EMC facilities. This fee is only applicable when the request is associated with facilities which are not to be relocated or removed at Sawnee's request.
- c. A service charge of \$100.00 may be required in response to a request to connect or disconnect electrical service without sufficient notice. Generally, Sawnee will perform such service with one (1) day's notice. Failure to provide such notice may invoke this service charge. The Cooperative may, at its own discretion, elect to charge \$225.00 for providing this service, Monday through Sunday between the hours of 9:00 p.m. and 8:00 a.m.
- d. A service fee of \$100.00 may be required when a requesting party fails to install the electrical connection device (e.g. meter base, CT can or other device) or prepare the site as required by Sawnee. This fee may be required when an additional visit

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is required to complete the request, given the absence of these required devices or a clear and unobstructed path to the meter location.

- e. A service charge of \$150.00 may be required in response to a request to convert, change, or relocate an existing light fixture. This fee is applicable to all fixture types and styles.
- f. A service charge of \$15.00 per meter read may be required in association with the Cooperative's staff, or its agent, not being able to obtain a valid meter reading as required under Corporate Policy 414, Meter Access. This fee is applicable to all meter types and service types.

## B. GENERAL

Any change in the fees contained in this policy will not be considered as retroactive or applicable to an event that occurred prior to the effective date of the change. Nor will any member derive any benefit, not applicable at the time of the event, should this policy change. All charges will be based on the policy in force at the time of the event.

## SECTION 3 – RETIREMENT OF PATRONAGE CAPITAL TO ESTATES OF DECEASED MEMBERS ON A DISCOUNTED BASIS (NO. 303)

- A. As used in the policies of the Corporation, the following terms shall have the following meanings:
  - 1. **“Affiliated Organizations”** shall mean cooperative organizations from which the Cooperative is entitled to receive patronage as a result of its patronage thereof, including, but not limited to a power supply cooperative, a cooperative lending money, a cooperative selling materials and supplies, a cooperative processing data or information, or a cooperative furnishing services.
  - 2. **“Patronage Capital”** shall mean all amounts in excess of operating costs and expenses which the Cooperative has allocated to its Patrons or his / her designee. As used herein, “Patronage Capital” shall also include Patronage Capital allocated to the Cooperative by Affiliated Organizations.
  - 3. **“Cooperative”** shall mean Sawnee Electric Membership Corporation.
  - 4. **“Deceased Patron”** shall mean an Individual who has died and who, during his or her life, paid money to the Cooperative and received services from the Cooperative. “Deceased Patron” shall also mean an Individual who has died and who, during his or her life, had been assigned Patronage Capital by a Patron in accordance with Bylaw Section 9.02 and the Cooperative's Policies.

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5. “**Individual**” shall mean a natural person and shall exclude artificial entities.
  6. “**Patron**” shall mean any Individual or artificial entity that has paid money to the Cooperative, and is receiving, or has received, services from the Cooperative.
  7. “**Unretired Patronage Capital**” shall mean both: (i) Patronage Capital allocated to the Cooperative from Affiliated Organizations but which have not been retired to the Cooperative by cash payment or billing credit and are not re-invested in an Affiliated Organization by this Cooperative for the same and all prior years; and (ii) Patronage Capital which will in the future be allocated to a Deceased Patron upon the finalization of the Cooperative’s books of account for the relevant period.
- B. The Cooperative’s staff shall prepare for Board review, a report of those Patronage Capitals allocated to a Deceased Patron that meet the following conditions:
1. The legal representative of the estate, or heir of the Deceased Patron has submitted a written request for such early retirement and has agreed:
    - a. to permit the deduction of all amounts owed the Cooperative,
    - b. to accept such retirement on a discounted basis, and
    - c. to donate all Unretired Patronage Capital to the Cooperative.
- C. The Board, upon receiving the foregoing report, may approve any such early retirement, provided, however, that it first determines that no such early retirement shall: (1) impair the financial condition of the Cooperative, or (2) otherwise jeopardize the Cooperative’s ability to make general patronage capital retirements.
- D. The processing of retirements approved pursuant to this policy shall be in accordance with the following provisions:
1. If the Deceased Patron died with a probated Will, any retirement approved hereunder shall be made to the Executor(s) of the Estate upon receipt of the Deceased Patron’s Will or Letters Testamentary appointing the Deceased Patron’s Personal Representative(s).
  2. If the Deceased Patron died without a probated Will (intestate), and the Estate was administered, any retirement approved hereunder shall be made to the Personal Representative(s) of the Estate (formerly referred to as the “Administrator”) upon receipt of a copy of Letters of Administration Appointing the Deceased Patron’s Personal Representative(s).
  3. If the Deceased Patron died without a probated Will, and there was no administration of the Estate, then depending upon the amount of the retirement, the following distribution priorities will apply:

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- a. If discounted, the retirement is \$2,500.00 or less, payment shall be made:
    - (1) To the surviving spouse.
    - (2) If no surviving spouse, then to the surviving children, pro rata.
    - (3) If no surviving spouse or surviving children, then to the surviving mother and father, pro rata.
    - (4) If no surviving spouse, children or parents, then to the surviving brothers and sisters, pro rata.
  - b. If discounted, the retirement is more than \$2,500.00, payment shall be made to the Deceased Patron's heirs determined pursuant to the laws of descent and distribution of the State of Georgia as codified in O.C.G.A. § 53-2-1, (See copy attached hereto), AND after consultation with the Cooperative's legal counsel.
4. If the Deceased Patron died with a Will but the Will has not been found and/or the Will by agreement of all interested parties will not be submitted to probate, and there was no administration of the Estate, then depending upon the amount of the retirement, the following distribution priorities will apply:
- a. If discounted, the retirement is \$2,500.00 or less, payment shall be made:
    - (1) To the surviving spouse.
    - (2) If no surviving spouse, then to the surviving children, pro rata.
    - (3) If no surviving spouse or surviving children, then to the surviving mother and father, pro rata.
    - (4) If no surviving spouse, children or parents, then to the surviving brothers and sisters, pro rata.
  - b. If discounted, the retirement is more than \$2,500.00, payment shall be made to the Deceased Patron's heirs determined pursuant to the laws of descent and distribution of the State of Georgia as codified in O.C.G.A. § 53-2-1, (See copy attached hereto), AND after consultation with the Cooperative's legal counsel.
5. There is the possibility that situations will arise that will not fit into any of the above categories. Should such case arise, the matters will be handled on an "individual" case-by-case basis in consultation with the Cooperative's legal counsel.
6. Regardless of the method utilized under this policy, an Application for Retirement of Patronage Capital to Survivors of Deceased Members (Exhibit 1) must be completed and executed.

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- E. The standards for computing and implementing retirements of Deceased Patrons on a discounted basis shall be as follows:
1. The total accumulated Patronage Capital of a Deceased Patron, less the Unretired Patronage Capital will, prior to retirement, be reduced by discounting the same on a present value basis and by deducting any legally enforceable debt of the Deceased Patron or the applicant.
  2. The present value factor described herein shall be derived, as outlined below:
    - a. Upon the initial implementation of retirements under this Policy, at a discount (interest) rate of eight (8%) percent.
    - b. For subsequent years, the discount (interest) rate will be equal to the annual weekly average of the Federal Financing Bank (FFB) interest rate paid by the Cooperative for a similar term and published by RUS or NRUCFC during the previous calendar year plus a long horizon expected risk factor of 11.41%.
  3. Such rate shall become effective January 1 of each year for the following 12 months and will be updated annually or as the Board of Directors determines that conditions warrant a higher or lower discount rate.
- F. The amount of Patronage Capital remaining after such discounted retirement shall be retained by the Cooperative and credited to Account 217, Retired Patronage Capital - Gain, and shall not thereafter be reassigned to any other patron or any other person but will be subject to cash payout only in the event of dissolution of the Cooperative as allowed under the Bylaws of the Cooperative.
- G. No early retirement of Patronage Capital shall be authorized except upon the approval of the Board in accordance with this policy and other policies as well as the Bylaws of the Corporation. The staff will be authorized to provide the approved retirements as outlined herein.

**SECTION 4 - GENERAL RETIREMENT OF SAWNEE EMC PATRONAGE CAPITAL (NO. 304)**

**A. GENERAL**

1. It shall be the policy of Sawnee Electric Membership Corporation (“Corporation” or “Cooperative”) to, whenever appropriate and practical as determined by the Board of Directors (“Board”) of the Corporation, make retirements of Patronage Capital to its members or their designee.

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2. Such retirements must be consistent with sound fiscal and management practices and be consistent with the provisions of the Corporation's Mortgage Contract with the Rural Utilities Service ("RUS"), other mortgage holders, the Bylaws of the Corporation and sound business practices.
3. Any retirement of Patronage Capital shall only be made if the Board of the Cooperative, at its sole discretion, determines that such retirement would not have an adverse effect upon the financial integrity, strength, viability and flexibility of the Cooperative.
4. General retirements of Sawnee EMC Patronage Capital, excluding Patronage Capital from Affiliated Organizations as outlined below, shall be subject to Board approval as provided in this and related policies or as may otherwise be established by the Board.

## B. AFFILIATED ORGANIZATIONS

1. It is the Policy of the Cooperative that it shall not consider the retirement of Patronage Capital allocated to its patrons by the Corporation from Affiliated Organization(s), as the term Affiliated Organization(s) is defined in Cooperative Policy No. 303, until such time that: 1) the Affiliated Organization(s)' Patronage Capital is received in cash or in billing credit to the Cooperative and are not re-invested in an Affiliated Organization by this Cooperative for the same and all prior years and 2) the Affiliated Organization(s)' Patronage Capital has been approved for retirement by the Board .
2. Nothing herein, however, shall require any retirement of Affiliated Organizations Patronage Capital and no retirement shall be made if the Board, in its sole discretion, determines that such retirement would have an adverse effect upon the financial integrity, strength, viability and flexibility of the Cooperative.
3. The Patronage Capital from Affiliated Organization(s) shall be allocated, retired and paid in accordance with Policy No. 305. This Policy (Policy 304) only sets forth the procedures for retiring Sawnee EMC's Patronage Capital.

## C. SET OFF AND RECOUPMENT OF DEBTS TO THE COOPERATIVE

1. Before the Cooperative makes any general Sawnee EMC Patronage Capital retirement as described herein, it shall:
  - a. Deduct any amount then owed by such member as prescribed in Article 9, Section 9.02 of the Cooperative's bylaws; and
  - b. In the case of a retirement to a member who has subsequently filed bankruptcy, deduct such amounts owed to the Cooperative prior to the time of the bankruptcy, unless the member demonstrates that such deduction of amounts owed is prohibited by the Bankruptcy Court's final order relating to the bankruptcy.

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## D. OTHER

1. Notwithstanding the foregoing, the early retirement of Sawnee EMC Patronage Capital to the estates or legal representatives of deceased members on a discounted basis may be made by the Cooperative in accordance with Corporate Policy No. 303.
2. The Board, in its sole discretion, may elect to make a special general retirement of patronage capital. Any action taken relative to a special general retirement of patronage capital will be done in a manner and at a time that will not, in the sole determination of the Board, have an unreasonable adverse impact on the Cooperative, or place a material financial burden on current retail rates and/or rate payers.

## **SECTION 5 – PATRONAGE CAPITAL FROM AFFILIATED ORGANIZATION(S) (NO. 305)**

### A. GENERAL

1. These guidelines are established to facilitate the Cooperative in making assignments and, where appropriate, retirements to its members and former members of the Cooperative's Patronage Capital allocated from Affiliated Organization(s) that are allocated to the Cooperative and on the books of the Cooperative.
2. The Cooperative generally allocates Patronage Capital from Affiliated Organization(s) in the same manner as the Cooperative allocates Patronage Capital from its own Operating and Non-Operating Margins ("Sawnee EMC Patronage Capital"), as defined herein.
3. However, pursuant to the provisions of Section 9.02 of the Cooperative's Bylaws, Patronage Capital is allocated from year to year to the Cooperative by virtue of its patronage to Affiliated Organization(s), which shall be accounted for in accordance with the following guidelines:
  - a. Affiliated Organization(s) Patronage Capital will generally be allocated to each of the Cooperative's own patrons as Patronage Capital pursuant to the same method employed for allocating Sawnee EMC Patronage Capital, as defined herein.
  - b. The Cooperative shall generally, except as provided herein, maintain its Patronage Capital records and books in such a manner as to separately reflect Patronage Capital allocations related to Affiliated Organization(s), as opposed to those which are allocated from Sawnee EMC Patronage Capital.
  - c. The Cooperative will notify its members and/or former members annually of the Patronage Capital allocated to them related to Affiliated Organizations with respect to the preceding fiscal year, in accordance with its Bylaws and in the same manner

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and at the same time that members and former members are notified of Sawnee EMC Patronage Capital allocations.

- d. The Cooperative will not retire and pay to its members and/or former members Patronage Capital allocated to them related to Affiliated Organization(s) until:
  - (1) The related Patronage Capital from the Affiliated Organization(s) have been retired and paid to the Cooperative in cash or by billing credits and are not re-invested in an Affiliated Organization by this Cooperative for the same and all prior years.
- e. Nothing herein, however, shall require any such retirement of Patronage Capital or Affiliated Organization Patronage Capital and no such retirement shall be made if the Board of Directors (Board) of the Cooperative, at its sole discretion, determines that such retirement would have an adverse effect upon the financial integrity, strength, viability, and flexibility of the Cooperative.
- f. The exception contained in Policy No. 303 for retiring Patronage Capital to estates of deceased members or former members, who were natural persons, shall not apply to the Affiliated Organization Patronage Capital of deceased members or former members, unless, and only to the extent that, such Affiliated Organization(s) have made related Patronage Capital retirements in cash or by billing credits, for the same and all prior years, that were not re-invested in an Affiliated Organization.
- g. Notwithstanding the foregoing, Affiliated Organization Patronage Capital shall not be separately accounted for, and treated with respect to, any given fiscal year that the Board determines that the amount of the Affiliated Organization Patronage Capital is too insubstantial to justify the administrative and other expenses required to separately account for and treat such Affiliated Organization Patronage Capital. Upon such a determination of the Cooperative's Board, these insubstantial Affiliated Organization Patronage Capital allocations may be retired prior to the Cooperative receiving a retirement of its allocated Patronage Capital in cash or billing credit from the Affiliated Organization.
- h. Should the Board determine that an Affiliated Organization is unlikely or unable to retire in cash or otherwise pay in cash or billing credits the Affiliated Organization's Patronage Capital allocated to the Cooperative, the Board may, at its sole discretion, re-value such Affiliated Organization Patronage Capital on the books of the Cooperative and as allocated to the Cooperative's members and former members.

**Note:** All forms referenced herein have been removed to conserve space and can be obtained by contacting SEMC directly.



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**SECTION 6 – SERVICE SECURITY DEPOSITS - RESIDENTIAL (NO. 307)**

**A. DEPOSIT REQUIRED**

For each and every residential and similar type of service connection of a member of the Cooperative, except as herein provided, a service security deposit, or an increase thereof, will be collected either in advance, immediately after the connection of the electric service, or as otherwise prescribed by this policy.

**B. AMOUNT OF DEPOSIT**

The amount of the deposit, or any exceptions to the payment of a deposit, is set forth herein and more specifically in Appendix "A" of this policy.

**C. NEED FOR DEPOSIT**

Determining the need for and fixing the amount of service security deposits will be based on the Cooperative giving careful consideration to the following factors:

1. Type of financial risk involved;
2. Risk involved in a new electric service account;
3. Level of credit to be extended to the applicant;
4. Applicant's Satisfactory Credit Rating status, as defined herein;
5. History of disconnect for non-payment and any payment instrument which has been recalled or deemed to be non-negotiable for any reason at the involved premises or for the involved consumer;
6. History of uncollected past due or written-off amounts at the involved premises or for the involved consumer; and
7. Any other factor having a realistic bearing on the consumer's financial dependability and their ability to pay their Cooperative energy bill.

**D. NO INTEREST**

1. No interest shall be paid by the Cooperative on service security deposits.

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**E. SATISFACTORY CREDIT RATING**

1. For purposes of this policy, including Appendix "A", a Satisfactory Credit Rating is defined as the account of a consumer having no record of: payment instruments which are recalled or deemed to be non-negotiable for any reason; being disconnected for non-payment of account; or, causing the Cooperative to incur a debt due to bankruptcy for the most recent thirty (30) consecutive months.

**F. REFUNDS**

1. Service security deposits will, at the sole discretion of the Cooperative, and as outlined herein, be refunded or evaluated for refund based on the following criteria:
  - a. As provided for in a written contract for service.
  - b. After thirty (30) consecutive months of continuous electric service, provided that a Satisfactory Credit Rating has been established with the Cooperative.
  - c. Participating in the Cooperative's Prepaid Metering Program.
  - d. Or upon such other conditions as may be established by the Cooperative.
2. Should it be decided a refund of the deposit is in order, the deposit shall first be applied to any outstanding debt owed to the Cooperative at the time, and then any unused portion of the deposit will be either returned to the consumer or credited to an active account.

**APPENDIX "A"**

**SERVICE SECURITY DEPOSITS**

1. Service security deposits will not be required for residential service only as outlined under the following circumstances:
  - A. When an existing consumer, in a residential location owned or rented by that consumer, including manufactured or mobile homes and apartments, has established a Satisfactory Credit Rating, as defined herein, for the specified period and is requesting an additional residential service or is relocating to another residential location.
  - B. When, upon request of a new or former consumer making a request for residential service at a residential location owned or rented by that applicant, including manufactured or mobile homes and apartments, a deposit will not be required based on the utility credit score assigned to a requesting customer by an independent third party and the allocation of stated deposit, as outlined below:

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- 1) Score equal to or greater than 875 No deposit required
- C. When, upon request of a residential service applicant to render service to a residential location, as described herein in paragraph “A” above, after considering the credit history of an account reported in the name of the applicant's spouse or former spouse when the applicant can demonstrate that the spouse's credit reflects the applicant's Satisfactory Credit Rating and is for the specified period, determines that the applicant has a satisfactory credit rating.
- D. Service security deposits will not be required for service to agencies and divisions of the federal and state governments, municipalities, and counties, unless required under special agreements or contracts for service.
- E. Service security deposits will not be required for service to local and national community action groups and community service programs designated to improve the general opportunities for minorities, females, and other protected groups in support of the Cooperative’s Affirmative Action Plan (AAP).
- F. In order to receive a waiver of deposit as outlined in any of the items listed above (A – E), the Cooperative must receive a signed membership form from the member.
- G. Service security deposits will not be required for those accounts under the Cooperative’s Prepaid Metering Program.
2. Service security deposits will be required under the following circumstances and must be accompanied by a signed membership form from the member.
  - A. **Deposit Level** will be determined based on the utility credit score assigned to a requesting customer (new, existing or former) by an independent third party and the allocation of stated deposit, as outlined below:
    - 1) Score between 780 to 874 \$200 deposit
    - 2) Score between 510 to 779 \$350 deposit
    - 3) Score between 0 and 509 \$450 depositDeposits must be paid in full prior to receiving service as outlined herein.
  - B. **New consumers**, given the inability to meet the requirements described herein, will pay a minimum service security deposit of \$350.00 or, as determined in cases of substantial credit risk, a deposit equal to the greater of:

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- 1) \$350.00, or
  - 2) an amount equal to two (2) months average bill over the most recent 12 months billing history prior to receiving electrical service as specified by the Cooperative and in most cases, except as specified by the Cooperative, within a reasonable period of time after receiving electrical service.
- C. **Former consumers** will be required to pay any outstanding amount then due the Cooperative on his/her current account **and** a security deposit equal to the amount determined by their utility credit score as described in paragraph 2 A above.
- D. **Existing consumers** will be required to be processed as outlined in paragraph 2 A above and, based on the results of that review, will be required to pay any outstanding past due amount then due the Cooperative on his/her current account **and** may be required to pay the greater of the amounts shown below based on the results of this review:
- 1) a security deposit of \$350.00, prior to receiving or continuing to receive electrical service, or
  - 2) an amount equal to two (2) months average bill over the most recent 12 months billing history for those accounts where the cooperative has determined that a substantial credit risk exists.

Should the consumer already have a deposit that is less than the deposit required and is required to pay an additional deposit, the deposit will be increased as described herein.

Also, an increase may be required at any time, including after the commencement of service, when an existing consumer's Credit Rating becomes unsatisfactory.

- E. **Multiple accounts** will be required to be processed as outlined in paragraph 2 A above and, based on the results of that review, may be required to pay a service security deposit equaling the greater of:
- 1) two (2) months average monthly charges of each account over the past 12 months, or
  - 2) \$350.00 per service point.

It should be understood that in no case will the charges be less than \$350.00 per account.

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**SECTION 7 – SENIOR CITIZEN DISCOUNT/REBATE PLAN (NO. 308)**

**GENERAL**

The Board of Directors of Sawnee EMC has given careful and deliberate consideration to offering a Senior Citizen Discount/Rebate Plan as defined herein. It is the belief of the Board that a discount/rebate plan is justified and appropriate.

- A. The Senior Citizen Discount/Rebate Plan shall be limited and applied as outlined herein.
- B. The qualifications for the plan are as follows:
  - 1. The application of the Plan will be limited to the primary residence (abode) of qualifying members.
  - 2. To qualify, the member must be at least 65 years of age or older.
  - 3. The member must sign an affidavit (Exhibit A) to certify that they have a total annual income, which does not exceed \$15,000, from all sources.
  - 4. The member must agree to allow Sawnee EMC to verify information given as needed.
- C. The member must make a written application to the Corporation either in person, via mail, electronically, or by other means to be considered for this program. All documents must be signed by the member and reflect a witness signature. If the member is not physically able to write, a guardian may execute the documents on the member's behalf, but in all cases the affidavit must be witnessed.
- D. Should the Corporation determine at any time that a participating member in the Plan does not meet the prescribed qualifications, the member will be terminated from the Plan.
- E. The discount/rebate offered under this Plan shall be a billing credit of sixteen dollars and eighty-five cents (\$16.85) per month for each of the twelve months in a year. Should the discount/rebate be stopped or started in a given year, it will begin as of the effective date and no retroactive or prospective service will be available.
- F. The rebate can be changed or totally eliminated by Board action.
- G. Under no circumstance will any account other than the member's primary residence (abode) be considered for this discount/rebate.

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**SECTION 8 – TEMPORARY SERVICE POLICY (NO. 309)**

**GENERAL**

- A. The Cooperative will provide or extend service to its members as outlined in Corporate Policy 402, Area Coverage – Extension of Service/Relocation of Service, and provided for herein, under retail rates as well as the service rules and regulations set by the Board of Directors (Board) for this type of service.
- B. Temporary service herein shall be defined as a connection of service installed to supply electricity for a limited period of time, normally less than twelve (12) months, or to facilities that are considered temporary in nature or under construction. This connection shall include, but not be limited to, construction sites, festivals, carnivals, decorations, and other limited purposes as deemed applicable by the Cooperative.
- C. These temporary service connections shall be limited or provided as outlined below:
  - 1. The member requesting temporary service, as described herein, shall be required to contribute to the Cooperative, a non-refundable fee as outlined below:
    - a. Single (1) phase 120/240v, underground service, with an existing transformer, to serve a permanent load \$180.00
    - b. Single (1) phase 120/240v, overhead service, with an existing transformer, to serve a permanent load \$180.00
    - c. The fee required for all other types of temporary service will be calculated on an actual installation and removal cost basis. The requesting party will be required to pay 100% of the cost, including applicable overheads, to install and remove the necessary facilities, less any salvage value of the associated materials.
  - 2. The applicant must agree to pay the associated non-refundable fees, as outlined herein, for the temporary service prior to the Cooperative providing this service.
  - 3. The Cooperative and the governing inspection authority having jurisdiction over this connection shall approve the member's facilities at the point of attachment.
  - 4. In no case will the Cooperative connect a service facility which is considered mobile equipment.
  - 5. The length of temporary facilities shall be limited as follows:
    - a. Single (1) phase 120/240v, underground service up to a maximum of six (6) feet.

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- b. Single (1) phase 120/240v, overhead service up to a maximum of fifty (50) feet.
  - c. All other types and lengths of service will be positioned as provided for in the associated cost estimate.
6. In all cases, the applicable or governing safety clearances will be maintained. If at any time the facilities of the Cooperative or the member do not comply with governing standards, service will be interrupted until such time the noted problem is corrected.
  7. In those cases where temporary service is required and will not be converted to permanent service, where an existing transformer does not exist, or where the primary facilities have not been extended, the stated contributions will be increased to cover the necessary additional facilities as outlined in Section II, C, 1-c.
  8. The application for and the providing of temporary service shall be consistent with the rules and regulations of the Cooperative and under retail rates set by the Board of Directors that apply to this form of service.
  9. The Cooperative reserves the right to decline providing temporary service if the guidelines are not followed as contained herein and as outlined in the applicable corporate documents, including but not limited to, applicable retail rate schedules.
  10. Should a contribution be made to a site where no permanent facility extensions were planned and these facilities are later used to serve a permanent load, any applicable contributions will be refunded to the payee and the applicable retail rate will be applied.
- D. The Cooperative, at its sole discretion, may waive any contributions in aid of construction or fee for new facilities when it has been determined that such temporary service facilities would be in the best interest of the Cooperative from a reliability or safety standpoint.
- E. Any change in the fees contained in this policy or in other Cooperative documents will not be considered as “retroactive” or “applicable to” an event that occurred prior to the effective date of the change. Nor will any member derive any benefit, not applicable at the time of the event, should this policy change. All charges and retail rates will be based on the policy and approved Board action in force at the time of the event.

## **SECTION 9 – BUDGET BILLING PLAN (NO. 310)**

The following general guidelines are applicable to the budget billing program for only residential service:

- A. The budget billing residential consumer must adhere to the following requirements:

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1. A SEMC member must have an Acceptable Credit History that supports them gaining access to the Budget Billing Plan (“Plan”) program. For purposes of this policy, an Acceptable Credit History is defined in Exhibit “A” of this policy.
2. Prior to receiving service under the Budget Billing Plan (“Plan”), a consumer must have maintained continuous electric service at the location in question for generally the most recent twelve (12) months and **not** have an outstanding balance (e.g. balance must be equal to zero) owed to the Corporation. The account must also have an Acceptable Credit History as described in Exhibit “A”.
3. While participating in the Plan, the consumer must pay their monthly bills/ invoices as outlined by the Plan. Failure to pay a monthly bill / invoice may result in removal from the Plan.
4. At any time during the eleven-month period, the Corporation has the right to change or modify the budget amount [plus (+) or minus (-)] contained in the Plan. The Corporation will document all changes and regularly advise the member of the status and level of their account balance.
5. The twelfth (12<sup>th</sup>) month (“Settle Up”) bill will consist of the following:
  - a. The actual amount of usage and billing for the twelfth month.
  - b. If the running totals of the previous eleven (11) monthly bills produces a credit when compared to actual energy charges, it will be deducted from the twelfth (12<sup>th</sup>) month bill.
  - c. If the running totals of the previous eleven (11) monthly bills produces a debit when compared to actual energy charges, it will be added to the twelfth (12<sup>th</sup>) month bill.
  - d. The total twelfth (12<sup>th</sup>) month bill should be paid in full as outlined above and, generally, prior to beginning the next budget period.
6. The consumer or the Corporation may choose to terminate the Plan, at any time, without cause.
7. If the account is not paid as outlined in the Plan, or if the member does not maintain an Acceptable Credit History, the Corporation may elect to terminate the Plan and the consumer will be notified of this action.
8. If the budget billed account is disconnected for non-payment of a past due balance while in the Plan, all past due charges will be due prior to re-establishing service and must be paid immediately.

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9. The consumer on the Plan will have the opportunity to make arrangements for balances due per the applicable corporate policy.
10. Once the Plan has been terminated, for any reason, by the consumer or the Corporation, all balances (credits or debits) will be placed in the member's account as current charges and will follow the normal payment and delinquent process.
11. Only residential accounts qualify for service under this plan. No commercial account will be allowed access to this plan.

**B. Waiver of Provisions**

1. The Corporation, at its discretion, may waive any time restriction for participation, as stated herein, when it has been determined that such limitations are not required from a risk of loss revenue standpoint.

**Exhibit "A"**

**Residential Budget Billing Plan**

**DEFINITION(S)**

- A. Acceptable Credit History – It shall be when an account of a consumer has no more than one (1) of any of the following events during the most recent thirty (30) consecutive months:
1. Checks returned unpaid by their financial institution or other payment failures such as credit or debit card payments, for any reason (including charge backs); or
  2. For any non-payment or causing the Cooperative to incur a debt.

**SECTION 10 – SERVICE SECURITY DEPOSITS - COMMERCIAL (NO. 312)**

**A. DEPOSIT REQUIRED**

For each and every commercial account and similar type of service connection of the Cooperative, except as herein provided, a service security deposit, or an increase thereof, will be collected either in advance of receiving electric service, or as otherwise prescribed by this policy.

**B. AMOUNT OF DEPOSIT**

The amount of the deposit, or any exceptions to the payment of a deposit, is set forth herein and more specifically in Appendix "A" of this policy.

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## C. NEED FOR DEPOSIT

Determining the need for and fixing the amount of service security deposits will be determined by the Cooperative giving careful consideration to the following factors:

1. Type of financial risk involved;
2. Risk involved in a new electric service account;
3. Level of credit to be extended to the applicant;
4. Applicant's Satisfactory Credit Rating status, as defined herein;
5. History of disconnect(s) for non-payment and any payment instrument which has been recalled or deemed to be non-negotiable for any reason at the involved premises or for the involved consumer;
6. History of uncollected past due or written off amounts at the involved premises or for the involved consumer; and
7. Any other factor having a realistic bearing on the consumer's financial dependability and their ability to pay their Cooperative energy bill.

## D. NO INTEREST

1. No interest shall be paid by the Cooperative on service security deposits.

## E. SATISFACTORY CREDIT RATING

For purposes of this policy, including Appendix "A", a Satisfactory Credit Rating is defined as the account of a consumer having no record of: payment instruments which are recalled or deemed to be non-negotiable for any reason; being disconnected for non-payment of account; or, causing the Cooperative to incur a debt due to bankruptcy.

## F. REFUNDS

1. Service security deposits will, at the sole discretion of the Cooperative as outlined herein, be refunded or evaluated for refund based on the following criteria:
  - a. As provided for in a written contract for service.
  - b. For single-phase commercial service and multi-phase commercial service, upon termination of service with the Cooperative for the account in which the deposit applies.

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- c. Or upon such other conditions as may be established by the Cooperative.
2. Should it be decided that a refund of the deposit is in order, the deposit shall first be applied to any outstanding debt then owed to the Cooperative and then any unused portion of the deposit will be either returned to the consumer or credited to an active account.

## APPENDIX "A"

### SERVICE SECURITY DEPOSITS

1. Service security deposits will not be required for commercial service only as outlined under the following circumstances:
  - a. When an existing consumer, in a location owned or rented by that consumer, has established a satisfactory credit rating for the specified period and is requesting an additional commercial service or is relocating to another location.
  - b. When, upon request of a commercial applicant to render service to a location, as described herein in paragraph "A" above, after considering the credit history of an account reported in the name of the applicant's spouse or former spouse when the applicant can demonstrate that the spouse's credit reflects the applicant's satisfactory credit rating and is for the specified period, determines that the applicant has a satisfactory credit rating.
  - c. Service security deposits will not be required for service to agencies and divisions of the federal and state governments, municipalities, and counties, unless required under special agreements or contracts for service.
  - d. Service security deposits will not be required for service to local and national community action groups and community service programs designated to improve the general opportunities for minorities, females, and other protected groups in support of the Cooperative's Affirmative Action Plan (AAP).
  - e. In order to receive a waiver of deposit as outlined in any of the items listed above (A – D), the Corporation must first receive a signed membership form from the member.
2. Service security deposits will be required under the following circumstances and must be accompanied by a signed membership form from the member:
  - a. Single-Phase Commercial Service:
    - 1) New single-phase commercial consumers, that cannot meet the requirements described herein, will be required to pay an initial deposit of \$600.00 and this deposit must be paid before receiving electrical service.

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- 2) Former single-phase commercial consumers will be required to pay, before receiving electrical service, any amounts then due the Cooperative **plus** a deposit of \$600.00
  - 3) Existing single-phase commercial consumers without a satisfactory credit rating will be required to pay any outstanding past due amount then due the Cooperative on their current account **and** will be required to pay a security deposit of \$600, prior to receiving electrical service. Should the consumer already have a deposit which is less than the deposit required and is required to pay an additional deposit, that deposit will be increased. The risk of default will be considered and this increase may be requested at any time. The consumer may be billed for any additional fees and will be required to pay these fees as requested by the Cooperative and may do so, at the Cooperative's sole discretion, in no more than three (3) equal payments.
  - 4) New multiple single-phase commercial consumers will be required to pay a service security deposit before receiving service equaling \$600.00 per service point.
- b. Multi-Phase Commercial Service on Rate Schedule "G":
- 1) New multi-phase commercial consumers, that cannot meet the requirements described herein, will be required to pay an initial deposit of \$1,750.00 and this deposit must be paid before receiving electrical service.
  - 2) Former multi-phase commercial consumers will be required to pay, before receiving electrical service, any amounts then due the Cooperative **plus** a deposit of \$1,750.00.
  - 3) Existing multi-phase commercial consumers without a satisfactory credit rating will be required to pay any outstanding past due amount then due the Cooperative on their current account, **and** a security deposit of \$1,750.00, prior to receiving electrical service. Should the consumer already have a deposit which is less than the deposit required and is required to pay an additional deposit, that deposit will be increased. The risk of default will be considered and this increase may be requested at any time. The consumer may be billed for any additional fees and will be required to pay these fees as requested by the Cooperative and may do so, at the Cooperative's sole discretion, in no more than three (3) equal payments.
  - 4) New multiple multi-phase commercial consumers will be required to pay a service security deposit equaling \$1,750.00 per service point, prior to receiving electrical service. In no case will the charges be less than \$1,750.00 per account.

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- c. Multi-Phase Commercial Service on Rate Schedule “SC” and “SCD”:
- 1) New multi-phase commercial consumers, that cannot meet the requirements described herein, will be required to pay an initial deposit of \$600.00 and this deposit must be paid before receiving electrical service.
  - 2) Former multi-phase commercial consumers will be required to pay, before receiving electrical service, any amounts then due the Cooperative **plus** a deposit of \$600.00.
  - 3) Existing multi-phase commercial consumers without a satisfactory credit rating will be required to pay any outstanding past due amount then due the Cooperative on their current account, **and** a security deposit of \$600.00, prior to receiving electrical service. Should the consumer already have a deposit which is less than the deposit required and is required to pay an additional deposit, that deposit will be increased. The risk of default will be considered and this increase may be requested at any time. The consumer may be billed for any additional fees and will be required to pay these fees as requested by the Cooperative and may do so, at the Cooperative's sole discretion, in no more than three (3) equal payments.
  - 4) New multiple multi-phase commercial consumers will be required to pay a service security deposit equaling \$600.00 per service point, prior to receiving electrical service. In no case will the charges be less than \$600.00 per account.
- d. Multi-Phase Commercial Service on All Other Commercial Rate Schedule(s):
- 1) New or existing multi-phase commercial consumers with and without satisfactory credit ratings will be required, prior to receiving electrical service, to pay any outstanding past due amount then due the Cooperative on their current account, **and** a security deposit which shall be the greater of;
    1. \$1,750.00, or
    2. An amount equal to two (2) months average bill
  - 2) Should the consumer already have a deposit which is less than the deposit required and is required to pay an additional deposit, the deposit will be increased.
  - 3) The risk of default will be considered and this increase may be requested at any time.
  - 4) The consumer may be billed for any additional fees and will be required to pay these fees as requested by the Cooperative and may do so, at the Cooperative's sole discretion, in no more than three (3) equal payments.

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## SECTION 11 – UNCLAIMED PATRONAGE CAPITAL (NO. 316)

### A. GENERAL

1. It is the policy of the Board of Directors (Board) to require the staff to follow the laws of the State of Georgia and rules of the Georgia Department of Revenue (DOR) relative to the handling of unclaimed patronage capital.

### B. PROCESS

1. The staff shall, each year and during the year, provide notice to former members of the Cooperative, via a process and program consistent with the guidelines outlined by the DOR, of any amounts of retired patronage capital that are unclaimed.
2. Patronage capital which remains unclaimed for five (5) years after retirement will be defined as “abandoned”. The staff shall prepare a list of those members and former members who have not claimed the abandoned patronage capital and present it to the Board for review and consideration. This list shall include, but is not limited to, the following:
  - a. The number of members affected, each member’s name, their former address, their last known mailing address, if different, the amount of unclaimed patronage capital defined as abandoned and any other information requested by the Board.
3. After a review of the information provided by the staff, the Board will evaluate the various actions available to it and direct the staff, via a resolution, on their decision of how these abandoned funds will be disbursed. Currently under Georgia Law these abandoned funds may only be used for: (1) education, (2) economic development, and (3) donation to an IRS Code Section 501 (c) (3) organization which is serving the area.
4. The staff shall follow the direction of the Board and take only those actions sanctioned and approved by the Board.
5. The Board may wish to restrict its donation of abandoned funds for specific purposes or uses and, if so, the staff will ensure that such restrictions / actions are adhered to by the receiving party.
6. Should the Board direct that some portion of the abandoned funds be directed to the Sawnee Foundation (Foundation), a separate check will be written to document the transfer of the funds to the Foundation.

### C. REPORTING

1. The staff shall report directly to the Board any known violation of this Policy or variance from the Board’s resolutions made hereunder.

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2. The Cooperative's auditor (Auditor) shall be advised of all actions taken under this policy and will be asked to audit the staff's actions each year as a part of the annual corporate audit. The Auditor shall report his findings to the Board as part of the annual corporate audit report.

## D. INTERNAL CONTROLS

1. The staff shall develop and maintain adequate internal controls to track all actions under this policy.
2. These internal controls shall be tested regularly to ensure that they are actually tracking the actions of the staff in this area.

## SECTION 12 – REDESIGNATION OF CAPITAL CREDITS TO ANOTHER (NO. 317)

### A. GENERAL

1. As outlined herein, the Cooperative will allow the reassignment of patronage capital rights from a member or a former member ("Assignor") to a current or future member ("Assignee") as provided in this Policy.

### B. PROCESS

1. The request to reassign rights to patronage capital shall be submitted on a form designated for this purpose. (See, "Application for Redesignation of Capital Credits for Entity No Longer in Existence").
  - a. All information necessary to review and complete the request must generally be provided by the Assignor. If the Assignee completes the request, the request must be supported by appropriate documentation.
  - b. The request will be reviewed by the staff of the Cooperative for completeness and accuracy as well as one of the Cooperative's legal advisors.
  - c. A request for reassignment must be executed by the party with legal title to the capital credit (i.e., a member, a former member, or an assignee of a member or former member).
  - d. Upon completing both an internal and legal review of the request, the staff will decide on the validity of such request and if approved, redesignate ownership of the account to the designated Assignee, including all assigned patronage capital and any unassigned patronage capital.

**Note:** All forms referenced herein have been removed to conserve space and can be obtained by contacting SEMC directly.

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- e. An Assignee's rights to the account shall be subject to all claims arising through either the Assignee or the Assignor.

2. OTHER

- a. The Cooperative's Service Rules and Regulations, Bylaws and Policies will apply to any Assignee and the reassigned patronage capital.
- b. The Assignee shall, to the greatest extent possible, be treated as the Assignor, for purposes of general, special general, and deceased member retirements.
- c. The Assignor will no longer be considered the Member of Record of the Cooperative, and will lose all rights relating to the reassigned patronage capital.

3. TERMINATION OF REASSIGNMENT PROCESS

- a. Should at any time and in the sole determination of the Board of Directors (Board) of the Cooperative, it determines that this policy or any part thereof is not in the overall best interest of the Cooperative, it may seek to change and/or eliminate this activity.

**SECTION 13 – CAPITAL CREDITS ALLOCATIONS (NO. 318)**

A. GENERAL

- 1. The Cooperative shall allocate Cooperative Patronage Capital in a manner that:
  - a. is in compliance with state and federal law;
  - b. is consistent with operating on a cooperative basis under federal tax law;
  - c. is considered by the Board of Directors (Board) to be fair and reasonable to the Cooperative's patrons and former patrons;
  - d. is in the overall best interest of the Cooperative; and its' members
  - e. is consistent with Generally Accepted Accounting Practices (GAAP).
- 2. Subject to state and federal laws, the Cooperative's articles of incorporation, and the Cooperative's bylaws, specifically Article 9, Non-Profit Operations, and without regard to any other limitation, provision or policy, the method of allocation of capital credits, Cooperative Patronage Capital is to be at the sole discretion of the Cooperative's Board and will be performed by the Staff as directed and approved by the Board.

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## B. EXPECTATIONS

1. **Board Approval.** The Cooperative shall allocate Cooperative Patronage Capital in accordance with the manner, method, timing, and amount as approved by the Board.
2. **Patronage Earning Allocations.** The Cooperative shall allocate to each patron, as approved by the Board, the applicable patronage earnings during the fiscal year.
3. **Patronage Loss Allocations.** The Cooperative shall offset patronage losses with the Cooperative's non-operating margins as prescribed by Rural Utility Service (RUS).

## C. LIMITATIONS

1. **Forfeiture of Capital Credits.** The Cooperative shall not enter into contracts through which a patron or former patron forfeits the right to the allocation of capital credits. The Cooperative shall not require any patron or former patron to forfeit the right to the allocation of capital credits.
2. **Patron Classes.** As approved by the Board, the Cooperative may allocate Cooperative Patronage Capital to different classes of similarly situated patrons or former patrons utilizing different manners, methods, timing, and amounts, provided the allocated capital credits are assigned to similarly situated patrons and former patrons under the same manner, method, timing, and amount.
3. **Notice of Allocation.** Within a reasonable period of time following the end of a fiscal year, the Cooperative shall either;
  - a. Notify each patron, in writing, of the amount of capital credits allocated to the patron for the preceding fiscal year through a written notice stating the dollar amount allocated; or
  - b. Notify each patron of the aggregated amount of patronage capital, Cooperative Patronage Capital and Associated Organizations Patronage Capital, and provides a clear explanation as to how each patron may compute and determine for himself the specific amount credited to him.

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4. **Rules.** The Board reserves the right to establish rules relating to the allocation, the basis of the allocation as well as the priority of any allocation. This may include, but not be limited to, the allocation of capital credits for individual members, or a class of members, based upon the rates and cost of service for that member or class of members.

**SECTION 14 – RETIREMENT OF PATRONAGE CAPITAL, ON A DISCOUNTED BASIS, TO FORMER MEMBERS TO SATISFY A DEBT OWED TO THE CORPORATION (NO. 319)**

- A. As used in the policies of the Corporation, the following terms shall have the following meanings:
  1. **“Affiliated Organizations”** shall mean cooperative organizations from which the Corporation is entitled to receive patronage as a result of its patronage thereof, including, but not limited to a power supply cooperative, a cooperative lending money, a cooperative selling materials and supplies, a cooperative processing data or information, or a cooperative furnishing services or such similar organizations.
  2. **“Patronage Capital”** shall mean all amounts in excess of operating costs and expenses, which the Corporation has allocated to its Members or his/her/its designee. As used herein, **“Patronage Capital”** shall also include Patronage Capital allocated and received by the Corporation by Affiliated Organizations.
  3. **“Corporation”** shall mean Sawnee Electric Membership Corporation.
  4. **“Debt Owing Former Member”** shall mean a Former Member of the Corporation who owes a debt to the Corporation.
  5. **“Former Member”** shall mean any Individual or artificial entity that had in the past received services from the Corporation but has terminated their membership in and service from the Corporation.
- B. The Corporation’s staff shall prepare for the Board’s review, a report of Patronage Capital allocated to Debt Owing Former Members, on a monthly basis.
- C. Upon receiving the foregoing report, the Board may approve such early retirement of Patronage Capital, on a discounted basis, to satisfy the debt now due to the Corporation provided, however, that it first determines that no such early retirement shall: (1) impair the financial condition of the Corporation, or (2) otherwise jeopardize the Corporation’s ability to make general patronage capital retirements now or in the future.

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- D. The processing of such early retirement of Patronage Capital to Debt Owing Former Members approved pursuant to this policy shall be in accordance with the following provisions:
1. Only debt owed to the Corporation will be satisfied, on a discounted basis, and no cash distribution shall be made to a Former Member pursuant to this Policy.
  2. Any allocation of Patronage Capital not used to satisfy the debt owed by a Debt Owing Former Member will remain allocated to the Former Member on the records of the Corporation until and unless retired by action of the Board.
- E. The standards for computing and implementing retirements to Debt Owing Former Members, on a discounted basis, to satisfy a debt owed to the Corporation shall be as follows:
1. The total accumulated Unretired Patronage Capital of a Debt Owing Former Member allocated in the records of the Corporation shall be reduced by discounting the same, on a present value basis, and then deducting any debt of the Debt Owing Former Member to the Corporation.
  2. The present value factor described herein shall be derived, as outlined below:
    - a. The discount (interest) rate will be equal to the annual weekly average of the Federal Financing Bank (FFB) interest rate paid by the Corporation for a similar term and published by RUS or NRUCFC during the previous calendar year plus a long horizon expected risk factor of 11.41%.
    - b. Such rate shall become effective January 1 of each year for the following 12 months and will be updated annually or as the Board of Directors determines that conditions warrant a higher or lower discount rate.
- F. The amount of Patronage Capital remaining after the discounting of Patronage Capital shall be retained by the Corporation and credited to Account 217, Retired Patronage Capital - Gain, and shall not thereafter be reassigned to any other member or any other person but will be subject to cash payout only in the event of dissolution of the Corporation as allowed under the Bylaws of the Corporation.
- G. No early retirement of Patronage Capital shall be authorized except upon the approval of the Board in accordance with this Policy and other policies and the Bylaws of the Corporation.
- H. The staff will be authorized to provide the approved retirements as outlined herein.

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**SECTION 15 – MEMBER ACCESS TO COOPERATIVE INFORMATION (NO. 401)**

**A. GENERAL**

1. The Board of Directors (Board) of the Cooperative shall strive to keep the Cooperative's members adequately informed about the Cooperative's operations and financial condition, while appropriately protecting privileged, confidential or proprietary information.
2. To this end, the Cooperative shall routinely make information available in various ways, including: through its newsletter, website, public filings with the Georgia Public Service Commission, information available at the Cooperative's offices and through its staff, and the reports presented at membership meetings.

**B. PUBLICLY DISCLOSED INFORMATION**

1. In furtherance of this policy, the Cooperative shall, as outlined herein and without charge, provide copies of the following information:
  - a. The Cooperative's articles of incorporation, bylaws, rates, charges and fees, service rules and regulations, and annual reports;
  - b. Any publications the Cooperative may have for general distribution relating to the efficient or safe use of electric energy, the Cooperative's energy use and conservation programs, and the like;
  - c. First, second and third quarterly unaudited consolidated operating information for the Cooperative's current accounting period that have been approved by the Board for release;
  - d. Year-end operating and other financial reports, for the Cooperative's previous three (3) fiscal years, that are regularly made to the Rural Utilities Service (RUS), Internal Revenue Service (IRS) and/or the National Rural Utilities Cooperative Finance Corporation (NRUCFC);
  - e. Formal financial audit reports rendered periodically by the Cooperative's independent auditor(s);
  - f. The minutes of any Annual or District member meeting occurring in the ten (10) years prior to the request.

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## C. PROTECTED INFORMATION

1. Subject to the conditions and limitations set forth below, the following information will be considered protected and may be made available only to members of the Cooperative who are in good standing, and only upon such member's written request on the attached form and consistent with the other restrictions listed herein:
  - a. The regular minutes of any prior meeting of the Board;
  - b. Monthly or other special operating and financial reports of the Cooperative submitted by management to the Board;
  - c. The names, addresses, telephone numbers and email addresses of the Cooperative's members; and
  - d. Other Cooperative information relevant to a member's interest.

## D. RESTRICTIONS ON INFORMATION

1. Access to Protected Information may be denied for the following reasons:
  - a. If such request is deemed to be for an unlawful purpose, if the member is not in good standing with the Cooperative, or;
  - b. The member fails or refuses to complete, sign and submit the attached Request for Information Form and to make the warranties and representations set forth therein; or
  - c. If the request is for a purpose that is not reasonably related to the business of the Cooperative; or
  - d. If the request is for a dishonest purpose, or to gratify mere curiosity, or is inimical to the lawful interest of the Cooperative, or is for a purpose not reasonably germane to the interest of the member as such; or
  - e. If the member refuses to execute an agreement restricting his use of such information in such lawful manner as is necessary to protect the legitimate interest of the Cooperative, its members or employees; or
  - f. If the information sought is of such a nature that, if disclosed, such disclosure would violate a person's right to privacy, violate any agreement with third parties with respect to trade secrets, or adversely affect the Cooperative in its negotiations with third parties; or

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- g. If the information sought is of such a nature that, if disclosed, such disclosure would adversely affect the Cooperative unduly out of proportion to the possible competing interest of the member seeking to examine such information; or
  - h. If the information sought is of such a nature that, if disclosed, such disclosure would violate the privilege of confidential communication between the Cooperative and its attorneys; or
  - i. If the Cooperative information requested deals with trade secrets or other information that is privileged, confidential or proprietary.
2. The Cooperative disclaims any liability resulting from the unauthorized publication of information disclosed under the provisions of this policy and may recall any information provided hereunder. Furthermore, any requesting party may be required to return the information provided once their use for such information has expired.

**E. MANNER TO REQUEST**

1. A request for the information listed herein as Protected Information, above, must:
  - a. Be submitted in writing, using the attached Request for Information Form, addressed to the Executive Committee and the President and Chief Executive Officer of the Cooperative (see Exhibit "A").
  - b. Express the need for the information clearly stated in the request.

**F. REQUEST REVIEW**

1. The Executive Committee of the Board shall, within a reasonable period of time which will not exceed thirty (30) days, review the request and, after consideration, may direct the President and Chief Executive Officer to provide the information, on a schedule it will provide to the requesting party and in a format it determines acceptable, if it determines that the information is a bona fide request that meets the criteria established by this Policy.
2. Otherwise, the Executive Committee of the Board may refer the request to the full Board for consideration and action. The Board may take such time as it deems necessary to fully evaluate and consider such request.

**G. REQUEST FOR SELF INFORMATION**

1. When a member of the Cooperative requests the release of his or her own Cooperative member information, the member must demonstrate his or her identity by providing reasonable and unique information to the Cooperative.

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2. Such reasonable and unique information may include, but will not be limited to, Cooperative account number, member number, facsimile signature, or a combination of the foregoing.
3. Once the Cooperative member's identity has been confirmed, the member can direct the Cooperative to release specific and necessary Cooperative member information to companies and/or individuals by completing and submitting the attached Authorization to Release Member Information Form (see Exhibit "B").

## H. COST TO PROVIDE

1. The Cooperative shall, within reason, furnish or transmit, free of cost, on a schedule it will provide to the requesting party and in a format it determines acceptable, true and correct copies of items listed in paragraph II.A, above, as well as any other item, which in the Cooperative's sole discretion will entail only minimal copying or transmitting costs.
2. A member shall bear all costs of copying or otherwise transmitting the information requested. Such copying and /or transmitting shall be done as prescribed by the Cooperative.

## I. AFFILIATES

1. Notwithstanding anything contained herein to the contrary, the Cooperative reserves the right to provide information to its agents and affiliates so long as, in the sole opinion of the Cooperative, the provision of such information is consistent with the activities associated with the operation of the Cooperative.

## SECTION 16 – AREA COVERAGE/EXTENSION & RELOCATION OF SERVICE (NO. 402)

- A. The Cooperative will render electric service through extension of single phase, overhead electric service, at published rates and minimum charges without any required contribution in aid of construction (CIAC) to any member applicant authorized to enter into mutual legally binding contracts and who has a permanent installation included in the following classifications:
1. Permanent residences
  2. General farming operations
  3. Poultry operations
  4. Commercial and industrial operations (See Sec. B, 3)
  5. Seasonal cottages
  6. Schools

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7. Churches
  8. Community halls and other public buildings
- B. In case of applications for electric service of types or characteristics other than those set forth in Section II, A, where in the opinion of the staff no guarantee or assurance of continuous operation can be afforded, no line extension will be built without the prior approval of the President and Chief Executive Officer (CEO) and only after the applicant has agreed to the following conditions of service:
1. Based on the level of investment required, the Cooperative may require one or both of the following:
    - a. A non-refundable CIAC in an amount equal to 50% of the estimated cost of the electric plant investment required to provide the electric service and such CIAC will be paid in cash prior to the commencement of construction.
    - b. A refundable deposit in an amount equal to 50% of the estimated cost of the electric plant investment required to provide the electric service and such deposit will be paid in cash prior to the commencement of construction.
  2. The deposit, if required, will be held by the Cooperative, without interest, as an assurance or guarantee of its investment, and will remain with the Cooperative as outlined below:
    - a. Beginning with the 60th month, and each year thereafter, the deposit will be returned to the consumer in the form of a credit on electric energy bills at the rate of 20% of the total deposit until full credit for the deposit has been allowed.
    - b. The applicant must enter into a contract / agreement for the purchase of power for a period of not less than ten (10) years. If such contract/ agreement is terminated by the applicant prior to its expiration date, the amount of deposit being held by the Cooperative, whether in full or in part, will be forfeited by the applicant and applied to the cost of the investment in the electric lines and their removal.
  3. Should a single phase facility not exist and the load is of one of the classifications listed in Section II, A, and requires three (3) phase service, a credit will be given for a representative overhead single phase facility equivalent in the cost calculation described herein.
  4. Applications for electric service to large power consumers (1000 kW or over) shall be handled in accordance with the procedures recommended by the Rural Utilities Service as outlined in RUS Bulletin 112-6 and other applicable RUS publications.
  5. Applications for multi-phase (e.g. three phase) electric service shall be handled on an individual basis and may or may not require a deposit and/or a CIAC as described herein. The plant investment will be the determining factor in each case. Should a deposit or contribution be required, Section B of this policy shall apply.

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- C. In the event application for electric service is received, which is known to be of a temporary or limited nature, service may be extended only as outlined in Corporate Policy No. 309, Temporary Service Policy.
- D. In the event a consumer elects to receive service from underground facilities or relocate underground facilities, the Underground Electric Service Policy, Policy 409, will apply.
- E. When interested parties request either existing or proposed facilities to be relocated, resulting in an increased cost to the Cooperative, the following guidelines will apply:
  - 1. All costs in excess of the anticipated normal cost of a request will be borne by the requesting party. For this section only, normal cost will be defined as that cost above what the Cooperative would have incurred should the party not have requested the relocation. The time value of future investment will be considered in present value analysis when applicable.
  - 2. It will be the sole responsibility of the requesting party to provide, at the requesting party's expense, all necessary easements and other items as deemed necessary by the Cooperative in order to perform the requested relocation.
  - 3. The Cooperative reserves the right of refusal to relocate any and all facilities it deems would not be in the overall best interest of its member-consumers.
  - 4. All necessary payments, documents, and other requirements must be provided prior to commencement of actual work.
- F. Electric service will not be supplied in competition with the Cooperative's own service, either wholesale or retail, or for distribution or supply, or resale in territory assigned to or proposed to be occupied by the Cooperative. Modifications of this provision will be approved by the CEO upon express written request of the consumer.
- G. Should additional consumers receive service from a facility which was required to provide either a deposit or contribution, credit will be given to the original payee and refunded accordingly.
- H. Notwithstanding any of the above provisions of this policy, the Board of Directors (Board) may see fit to suspend all or a part of the provisions of this policy in any line extension or extensions in the event that such suspension serves the best interest of the Cooperative.

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## SECTION 17 – PAYMENTS, DISCONNECTION FOR NON-PAY AND ARRANGEMENTS (NO. 403)

This policy is designed to serve as a guide for the Staff of the Cooperative for both internal and external operating procedure.

### PAYMENT

- A. The purpose of this policy is to state that the Cooperative expects all bills, statements or other requests for payment to be made, as requested. No consumer of the Cooperative shall make payment with any instrument that is not negotiable.
- B. Any consumer making payment to the Cooperative with a check which causes them to establish unsatisfactory credit, will lose their right to make future payments by check as defined in Policy 307, Service Security Deposits – Residential, and Policy 312, Service Security Deposits – Commercial.
- C. Applicable charges as outlined in Policy No. 302, Service Fees, will apply for all returned checks, as well as the standards outlined in Policy 307, Service Security Deposits – Residential, and Policy 312, Service Security Deposits – Commercial.
- D. Applicable charges as outlined in Policy No. 302, Service Fees, will apply for all credit card, debit card or other qualifying alternative payment instruments.
- E. Payments made to the Cooperative via Corporate approved credit cards (e.g. American Express, Visa, MasterCard, Discover and other) for billed amounts, cannot exceed \$3,000.00 per account. Amounts over this limit must be paid by other negotiable instruments such as cash, check, money order or other legal tender.
- F. During normal business hours, payment must be received prior to reconnecting an account disconnected for non-pay.
- G. After normal business hours, payment must generally be received at the corporate office prior to reconnection for non-payment. Exceptions will be considered on a case-by-case basis.

### ARRANGEMENTS

#### A. GENERAL

It should be understood that the Cooperative is not proposing to extend credit via a payment arrangement to all accounts, in all cases. The Cooperative will use the member's past payment practice, their level of debt and other factors in determining if arrangements will be allowed. The guidelines in this section are to explain practices and do not provide absolute rights.

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## B. INTERNAL

The Staff of the Cooperative's Customer Service section will be assigned as the only group which can make an arrangement as it relates to a consumer's electric charges.

## C. EXTERNAL

1. All members of the Cooperative's Customer Service section can make payment arrangements under the following conditions:
  - a. Arrangements can only be made on balances less than 60 days old.
  - b. When disconnection for non-payment of the account occurs, generally no arrangements can be made and all outstanding charges, excluding current charges not past due, must be paid to the Cooperative prior to reconnection.
  - c. The Cooperative will keep a running total of the number of arrangements each consumer makes on each account for a 12-month period. Each consumer will be allowed to make a maximum of four (4) arrangements within a 12-month period for each account. This maximum number includes any special or emergency arrangements that may be deemed as acceptable by the Cooperative.
  - d. If no payment has been paid to the Cooperative since the initial "on date" of an account or a required deposit has not been paid, no arrangement will be allowed.
  - e. For outstanding balances, the following conditions will apply:
    - 1) For current bills, consumers will be allowed to make arrangements, within limits, on this balance as described herein.
    - 2) For accounts with balances classified as 30 Days Past Due, consumers will be limited on the level of arrangements which can be made on these balances. The arrangements cannot exceed \$500.00 and must be paid in full at the time agreed upon.
    - 3) For all other accounts (e.g. 60 and 90 days past due), no arrangements or extensions will be made on these balances.
  - f. No arrangements will be allowed for payments on billing balances where payment is made by a check that has been deemed to be from an account with insufficient funds.

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- g. No arrangements will be allowed for payments on billing balances where the Cooperative's records indicate the account has previously received two (2) returned checks for insufficient funds in the most recent 30 months.
2. Any exception to these standards can only be made with the permission of the designated Coordinator or the designated approved employee.
3. Partial payment constitutes the consumer failing to complete the payment arrangement agreement.
4. Generally, the payment arrangements will be repeated back to each consumer after arrangements are agreed upon.
5. Extension of any existing payment arrangement will only be given in cases of hardship or emergencies. In such case, the Cooperative will allow a maximum extension of five (5) working days. This extension must occur prior to the expiration of a member's existing payment arrangement or being subject to service disconnection.

## DISCONNECTION FOR NON-PAYMENT

For outstanding balances, the following guidelines will apply:

### A. CURRENT BILL

1. Consumers will be allowed to remit payment as specified on the bill and no disconnection for non-payment activity will occur if payment is received by the specified due date.

### B. PAST DUE

1. An account will normally be considered to be delinquent / past due once the age of the balance has exceeded the due date stated on the bill form.
2. All accounts which have a balance due not paid as of the due date stated on the bill form will be considered delinquent and subject to the disconnection practices of the Cooperative.
3. All charges, fees, and other conditions shall apply as specified.

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**SECTION 18 – BILLS ELECTRIC AND OTHERS, SUBJECT FOR CORRECTIONS BY REVISIONS AND MAKING ADJUSTMENTS (NO. 404)**

- A. The Cooperative shall verify, by having checked or tested, any complaints received regarding electric or other types of bills, for errors in figures, extensions, calculations, etc., prior to making any corrections by revisions or adjustments.
- B. The complaint reports shall be directed to the department or departments directly responsible for examining and determining whether or not the complaints are justifiable, by the assigning of personnel to conduct an investigation, by checking or testing, and indicating their findings on the complaint reports and initialing same.
- C. It shall then be the responsibility of the Department Vice President, in charge of the assignment of the investigation, to indicate by remarks of whether or not a correction or revision should be made in said complaint by indicating and signing, approved or not approved, with the findings of the complaint explained.
- D. The Department Vice President should consult with the President and Chief Executive Officer (CEO) prior to advising the consumer of the Cooperative's findings where the proposed adjustment is equal to or exceeds \$1,000.
- E. If any findings of the complaint issued should not meet to the satisfaction of the party or parties making the complaint, the complaint shall then be directed to the Chairman of the Board of Directors (Board) of the Cooperative for the Board's consideration.
- F. Following review by the Board, whatever action taken shall then be final.

**SECTION 19 – ENERGY CONSERVATION AND DEMAND SIDE MANAGEMENT (NO. 405)**

It shall be the policy of the Cooperative to:

- A. INTERNAL ACTIVITIES
  - 1. Constantly examine its own use of electric energy. This includes, but is not limited to, plant engineering design and construction, lighting, climate controls and other electric energy use by the Cooperative.
- B. EXTERNAL ACTIVITIES
  - 1. Develop and communicate energy efficiency programs encouraging the Cooperative members to utilize cost-effective energy conservation and efficiency strategies. Among other things, such programs may address home insulation, weatherization, efficient heating and cooling, and efficient use of electric energy in a member's home and/or business.

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2. Develop an informational program to effectively communicate the need for electric energy management, and to educate each member/consumer on available options to meet their electric energy needs most efficiently.
3. Develop and communicate information on educational programs with major groups involved in the housing industry, including the building industry and local government organizations, to assure a broader understanding, appreciation for, and to coordinate methods disseminating information on electric energy efficiency.
4. Develop a program to promote sound building practices for our members' homes and businesses.

## **SECTION 20 – METER TESTS (NO. 406)**

### A. GENERAL

1. The Cooperative will, as defined by its corporate inspection program or upon request by the member, test the accuracy of a member / consumer's metering equipment.
2. A service fee may apply when a metering test is requested by the member / consumer. The guidelines for charging a fee is set forth in Policy No. 302, Service Fees, for the type meter being tested.
3. Unauthorized meter tampering activity which results in metering equipment not registering or reporting the accurate information shall be addressed through Policy 407, Meter Tampering and Theft of Electric Service.

### B. TESTING CRITERIA

1. The weighted average of the accuracy rates at full load and light load test conditions shall be +/- 2%. The acceptable accuracy standard for metering equipment is defined herein as +/- 2%. Metering equipment shall collectively consist of the meter and all of its associated components as well as any instrument transformers (e.g. CTs and or PTs), if applicable.
2. The weighted average accuracy shall generally be calculated using the following mathematical equation;  
$$((4 \times \text{full load accuracy}) + (1 \times \text{light load accuracy})) / 5.$$
3. If the metering equipment does not meet the acceptable accuracy standard defined above, the meter shall be adjusted to as close to 100% accuracy as practical. If the meter cannot be adjusted to within the accuracy standard it shall be destroyed and removed from plant.

**Note:** All forms referenced herein have been removed to conserve space and can be obtained by contacting SEMC directly.

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## C. BILLING

1. Upon completion of a meter test, should the combined results of the meter test not meet the accepted accuracy standard, as outlined above, a credit or debit charge will be added to the member-consumer's subsequent electric energy and related service billing.
2. Any additional charges or credits, as outlined herein, will be for a period from the date when the inaccuracy first occurred. If the date the inaccuracy first occurred is not known, the adjustment will be for a period of the most recent 24 month period beginning on the date the inaccuracy was discovered.
3. The Cooperative may, at its discretion, accept less than full payment for all of a member-consumer's estimated usage at the correct rate for the full period set forth above if:
  - a. the Cooperative's exercise of reasonable diligence would have avoided or prevented the mistake from occurring; and
  - b. the mistake was not induced by the fraud or other inequitable conduct of the member-consumer.
4. Estimated energy usage (kWh) and, where required, estimated demand (kW) and the associated billings will be based on consideration of all pertinent facts relating to the inaccuracies discovered during the period when the error occurred as well as the conditions under which the energy was used.
5. Special payment arrangements for activity associated with incorrectly measured energy usage and demand may be allowed solely at the discretion of the Vice President of Office Services or Vice President of Member Services.
6. Should the meter test reveal that the meter and associated equipment have not registered the accurate energy consumption for reasons other than incorrect calibration, the member-consumer's consumption during the period of incorrect registration will be estimated based upon all pertinent facts available to the staff of the Cooperative.

## SECTION 21 – METER TAMPERING AND THEFT OF ELECTRIC SERVICE (NO. 407)

### A. DEFINITION

“**Tampering**” means intentionally and without authority opening and/or entering the Cooperative's meter, meter seals, meter base or any other Cooperative equipment or apparatus as well as interfering with the transmission of radio signals from an electric meter. Examples of tampering will include but are not limited to cutting a seal or removing a meter.

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“**Damage**” means the intentional damaging or destruction of the Cooperative’s metering or related equipment caused in any way by a person attempting to enter a controlled area or space or interfering with the signals from an electric meter. Examples of damage include but are not limited to damaging a meter, a meter base, a locking seal / ring, a C.T. cabinet, radio equipment or other equipment owned by the Cooperative.

“**Theft**” shall mean any act whereby a person causes, aids or abets in an act causing the Cooperative's meter to improperly register electric energy or related services provided to a Member by the Cooperative or purposefully interrupts the broadcast of signals or other information emanating from an electric meter. Examples of theft include but are not limited to turning a meter upside down, placing a substance or object over or into the meter, altering the electrical, mechanical, or electronic characteristics of a meter or associated metering equipment, or other such actions.

## B. PROCEDURE FOR INVESTIGATING AND PROCESSING SUSPECTED METER TAMPERING

1. Unless directed otherwise by the President and Chief Executive Officer (CEO), suspected meter tampering, damage, malicious blocking of the radio signals from an electric meter or theft of said energy shall be investigated and processed in accordance with a written Standard Operating Procedure approved by the CEO.
2. All information concerning these events and the associated investigations shall be in written form and placed in a secure location for future use.
3. These actions and investigations are to be considered confidential and unless required by law, discussed only with law enforcement officials and the staff of the Cooperative who “need to know” in order to carry out the provisions of this policy.

## C. RE-ESTABLISHMENT OF SERVICE

1. Electric service may be interrupted / terminated during the investigation of tampering, damage, malicious interruption of signals from or theft of electric energy and associated capacity.
2. Before the service will be restored to a location found to be tampered with, damaged, interrupting the signals of or otherwise involved in theft of electric energy or related services and information, pursuant to this policy, the person occupying or applying for service to this location must adhere to the following requirements:
  - a. Payment of all amounts then due by the member to the Cooperative as stated on the most recent billing invoice provided to the member and other charges outlined herein.

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- b. Payment of Investigation Fees and Theft Penalties as outlined below:
  - 1) Should a member or individual be found to have tampered with or prohibited the operation of any component of the Cooperative's equipment, as outlined herein, they shall pay an Investigation Fee of \$100.00, as well as the charges outlined in paragraph "c" below.
  - 2) Should a member or an individual be found to be damaging the Cooperative's equipment, as outlined herein, that person must pay, in addition to an Investigation Fee of \$100, 100% of the replacement cost, including the Cooperative's labor and materials, plus any applicable overheads for the items damaged as well as the charges outlined in paragraph "c" below.
  - 3) Should a member or individual be found to have stolen or attempted to steal electric energy from the Cooperative, that person must pay, in addition to an Investigation Fee of \$100, a theft penalty of \$500 as well as the charges outlined in paragraphs "c" and "d" below.
- c. Members who are found to have tampered, damaged, interrupted the normal operation of or been involved in the theft of electric energy or related services will be required to increase the amount of their service security deposit as outlined in the applicable corporate policy. Listed below is the criteria used to determine when this provision is applicable.
  - 1) Found to have had multiple cases (e.g. +1) of tampering,
  - 2) Found to have on more than one (1) occasion interrupted the normal operation of an electric meter radio signal,
  - 3) Found to have damaged the Cooperative's equipment,
  - 4) Found to have stolen energy or related services (theft) from the Cooperative.
- d. Members found to have stolen energy or related services, as defined as theft herein, shall pay the Cooperative all estimated energy and related service cost that is owed to the Corporation for the period of time when the theft is believed to have occurred or to the maximum period allowable by Georgia law. This shall include the estimated cost of energy and related services plus any other charges outlined herein as well as any unpaid balance then owed to the Corporation.
- e. Members found to have interrupted the normal radio signal operation of an electric meter shall immediately stop all such actions so as to allow the normal operation of all metering equipment.

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- f. All fees, penalties and/or other payments due to the Cooperative, as outlined herein, must be paid in full before electric service will be reinitiated.

## **D. LEGAL PROCEEDINGS**

1. Upon approval of the CEO and after the President and CEO has consulted with an attorney licensed to practice law in Georgia, any member found to have committed theft of electric service in violation of OCGA § 16-7-25 in an amount equal to or in excess of \$5,000, and / or has committed repeated acts of meter tampering as outlined herein, may be prosecuted by the Cooperative in a Court of Law, in the County in which that member resides.
2. This legal action is hereby sanctioned by the Board of Directors and all action relating to this matter should be reported to the Board of Directors as soon as practicable upon seeking such action.

## **SECTION 22 – PROPERTY OWNERS & LESSORS RESPONSIBILITY IN PAYING ENERGY BILLS FOR OTHERS (NO. 408)**

- A. Property owners, lessors or others, who are active Cooperative members and rent or lease their property to others, must advise the Cooperative if it is their (the property owner's) responsibility to pay bills and receive the service in their name.
- B. Service shall be disconnected from the present party's name and reconnected in the name of the party who is requesting application for service, unless the property owner instructs the Cooperative to do otherwise.
- C. The Cooperative member of record for each account shall be responsible to the Cooperative for paying the energy bill for the period any account is in their name.

## **SECTION 23 – UNDERGROUND ELECTRIC SERVICE (NO. 409)**

- A. The Board of Directors ("Board") of Sawnee Electric Membership Corporation ("Cooperative") resolves the following to be its policy with regard to the extension of electric service with underground facilities taking in consideration the following feasibility factors:
  1. Cost of providing underground service by the Cooperative,
  2. Terrain and physical characteristics of the premises, and
  3. Existing overhead electrical plant available for service.

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# SAWNEE ELECTRIC MEMBERSHIP CORPORATION SERVICE RULES AND REGULATIONS



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## 1. Cost of providing underground service by the Cooperative

For underground residential distribution, the Cooperative will obtain a payment of contribution in aid of construction as follows:

- a. Single unit residential dwellings located in subdivisions / developments and on lot sizes of two (2) acres or less, will require the “Standard” contribution in aid of construction cost, as shown in Exhibit “A”, per service, plus any abandonment fee stated in Section “F” below.
- b. Single unit residential dwellings located in subdivisions / developments and on lot sizes of two (2) acres or more, will require the “Standard” contribution in aid of construction cost, as shown in Exhibit “A”, per service, plus any abandonment fee stated in Section “F” below.
- c. Single unit residential dwellings randomly located (not within subdivisions/developments) will require the “Per Unit Residential” contribution in aid of construction cost, as shown in Exhibit “A”, where such service requires the installation of service cable only (under no circumstances will the cost be less than the “Minimum” contribution in aid of construction cost, as shown in Exhibit “A”). Other forms of services, such as those which require the installation of primary cable and underground transformers, will require the “Standard” contribution in aid of construction cost, as shown in Exhibit “A”, per service, plus any abandonment fee stated in Section “F” below.
- d. Multi-unit residential dwellings located in subdivisions / developments will require the “Standard” contribution in aid of construction cost, as shown in Exhibit “A”, for the initial meter at each service location, plus the “Multi-Unit Adder-Residential” contribution in aid of construction cost, as shown in Exhibit “A”, for each additional meter plus any abandonment fee stated in Section “F” below.
- e. Commercial and / or industrial facilities located in a development or on a single lot/location will require:
  - 1.) The single (1) phase “Commercial – Per Meter” contribution in aid of construction (CIAC) cost, as shown in Exhibit “A”, as applicable, plus any abandonment fee stated in Section “F” below. This CIAC fee applies to each meter set by Sawnee EMC.
  - 2.) The three (3) phase “Commercial – Per Transformer” contribution in aid of construction (CAIC) cost, as shown in Exhibit “A”, as applicable, plus any abandonment fee stated in Section “F” below. This CIAC fee applies to each transformer set by Sawnee EMC to serve a load, regardless of transformer size or voltage.

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- f. The Cooperative may, at its sole discretion, elect an alternative contribution to the fees outlined herein. If so elected by the Cooperative, the requesting party will be required to pay 100% of the cost difference between the estimated costs to construct the required facilities with overhead facilities versus underground facilities plus any abandonment fee stated in Section “F” below. This contribution in aid to construction cost may be greater or less than the unit cost outlined herein.

## 2. Terrain and physical characteristics of the premises

- a. Right-of-way easements shall be granted by the owner and/or developer which do not conflict with public right-of-way for any purpose; and, the width of the easement shall not be less than ten (10) feet.
- b. The selected easement route shall be clear and free from any obstructions and the surface of the terrain shall be at finish grade and shall provide adequate finished area to allow excavating equipment to operate.
- c. The owner and/or developer shall be responsible for the purchase and installation of appropriately sized conduit, which shall meet the specifications of the Cooperative, to accommodate the installation of the Cooperative’s cable(s) in all areas where said cable(s) will be located under pavement or asphalt.
- d. The owner and/or developer shall be responsible for the cost of removal of any abnormal, as determined by the Cooperative, rock conditions encountered. This will be in addition to the contributions set forth in Exhibit “A”.
- e. The owner and/or developer must comply with the various federal, state, and local guidelines as they relate to land disturbances. Cooperative, and/or its agents, shall grass and straw all areas disturbed during the installation of the primary electrical facilities.
- f. The Cooperative may, at its discretion, have joint-use agreements with other compatible utilities for sharing costs in excavating operations.

## 3. Existing overhead electrical plant available for service

The Cooperative may convert existing overhead distribution lines to underground when requested to do so under the following conditions:

- a. Conversion from overhead to underground is practical from an engineering standpoint and when such conversion can meet the requirements of all local, state, and federal regulations.

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- b. The necessary right-of-way easements for the underground facilities can be reasonably obtained.
- c. The party requesting the conversion agrees to be responsible for any and all costs associated with the conversion plus any abandonment fee stated in Section “F” below.
- d. This contribution in aid of construction shall be equal to the original installed cost of the overhead facilities plus the cost of removal, less the salvage value of the retired materials, plus the cost of the new construction involved in the requested conversion as determined under the provisions of Paragraph II-A and may include the abandonment fee stated in Section “F” below.
- e. The Cooperative reserves the right of refusal to convert any and all overhead facilities to underground that it deems would not be to the overall best interest of its member-consumers.
- f. All necessary payments, documents, and other requirements must be provided prior to actual work commencing.

## B. Relocation of Underground Facilities

When interested parties request either existing or proposed underground facilities to be relocated to where it creates an increased cost to the Cooperative, the following guidelines will apply:

1. All cost in excess of the anticipated normal cost of a request will be borne by the requesting party plus any abandonment fee stated in Section “F” below. For this section only, normal cost will be defined as that cost above what the Cooperative would have incurred should the party not have requested the relocation. The time value of future investment will be considered in a present value analysis when applicable.
2. It will be the sole responsibility of the requesting party to provide, at the requesting party's expense, all necessary easements and other items as deemed necessary by the Cooperative in order to perform the requested relocation.
3. The Cooperative reserves the right of refusal to relocate any and all facilities it deems would not be to the overall best interest of its member-consumers.
4. All necessary payments, documents, and other requirements must be provided prior to actual work commencing.

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C. Waiver of Contributions in Aid of Construction Cost

The Cooperative, at its discretion, may waive any contributions in aid of construction cost for new facilities when it has been determined that such underground facilities would be in the best interest of the Cooperative from a reliability, safety, and cost standpoint.

D. Contribution-in-Aid of Construction Revisions

The Cooperative will monitor the cost of providing underground electric service and at intervals of no less than annually; make appropriate adjustments in the requirements for contributions in aid of construction as deemed necessary. The authority to initiate such adjustments is expressly delegated to the President and Chief Executive Officer or his duly appointed staff member.

E. Right of Refusal

The Cooperative reserves the right to refuse any underground facility it deems not in the best interest of the Cooperative or its members.

F. Recovery of Facilities that are Required to be Abandoned

1. The Cooperative may, at its sole discretion, elect to recover the cost associated with any existing facilities that are to be abandoned and no longer used due to the construction of new or additional underground facilities.
2. The cost of abandoned facilities will include, but are not limited to, all un-depreciated investment associated with the abandoned facilities less any salvage value.
3. This abandonment fee described in this section will be required to be paid in addition to any installation contribution in aid to construction (CIAC) cost stated herein.

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**EXHIBIT "A"**

**TABLE OF CONTRIBUTION IN AID TO CONSTRUCTION  
(CIAC)**

<b>Description</b>	<b>Amount (\$)</b>
1.) Standard	\$1,890.00
2.) Single (1) Phase Commercial - Per Meter	\$1,890.00
3.) Three (3) Phase Commercial - Per Transformer	\$9,344.00
4.) Per Unit Residential	\$3.00 / ft.
5.) Multi-Unit Adder - Residential	\$280.00
6.) Minimum	\$100.00

**SECTION 24 – DISTRIBUTED GENERATION FACILITIES (NO. 412)**

**A. Definitions**

The following words and terms shall have the following meanings unless the context clearly indicates otherwise:

1. **“Billing Period”** means, as to a particular Member, the time period between the dates on which Sawnee EMC (the “Cooperative”) normally establishes as the service period for billing purposes.
2. **“Bi-directional Meter”** is a meter capable of measuring (but not necessarily displaying) electricity flow in both directions.

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3. “**Bi-directional Metering**” means measuring the amount of electricity supplied by the Cooperative and the amount of electricity fed back to the Cooperative’s distribution system by the Member’s Distributed Generation Facility using a Bi-direction Meter.
4. “**Capacity and Energy Purchase Rates**” means the rates used for i) Net Billing applications in determining the Energy Payment, or ii) negotiated rate applications. Such rates will be determined solely by the Cooperative.
5. “**Customer Generator**” means either 1.) the lessee or 2.) the owner and operator of a Distributed Generation Facility which is a member of the Cooperative.
6. “**Distributed Generation Facility**” means a facility either 1.) leased by or 2.) owned and operated by a member of the Cooperative for the production of electrical energy that:
  - a. Operates in parallel with the Cooperative’s distribution facilities;
  - b. Is connected to the member’s side of the Cooperative’s retail service meter; and
  - c. Distributed Generation Facilities are categorized according to the following capacity in Alternating Current (“AC”) ratings of the resource:
    - 1) “**Micro**” – means a generation resource with a capacity rating of 2 kW or less. In all cases, this equipment shall be single phase in nature.
    - 2) “**Small**” - means a generation resource with a capacity rating of greater than 2 kW and not greater than 10 kW for residential Members and no greater than 100 kW for commercial Members. In all cases, equipment for residential applications shall be single phase in nature.
    - 3) “**Medium**” - means a generation resource with a capacity rating of greater than 10 kW for residential Members and greater than 100 kW for commercial Members and not greater than 2 MW.
    - 4) “**Large**” - means a generation resource with a capacity rating of greater than 2 MW and not greater than 10 MW.
7. “**Energy Payment**” is a term used exclusively for Customer Generators on a Net Billing arrangement. The term mean Excess Net Energy multiplied by the applicable rate.
8. “**Excess Net Energy**” is a term used exclusively for Customer Generators that qualify and are approved for Net Metering. The term means the difference between the electricity generated by the Member’s Distributed Generation Facility and the electricity supplied by the Cooperative during the Billing Period.

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9. **“Net Billing”** means the difference, over the Billing Period, between the Energy Payment and the Retail Billing Amount.
10. **“Net Metering Customer”** means a member receiving Net Metering service that 1.) leases or 2.) owns and operates a Distributed Generation Facility that:
  - a. Has peak generating capacity, rated in AC, of generally not more than 10 kW for residential applications, or has peak generating capacity, rated in AC, of generally not more than 100 kW for commercial applications, or as may be allowed under the applicable Distributed Generation Interconnection Procedure document;
  - b. Is located on, or near, the member’s premises;
  - c. Uses a solar photovoltaic system, fuel cell, or wind turbine; and
  - d. Is intended primarily to offset part, or all, of the Member’s requirements for electricity.
11. **“Net Metering”** means the difference, over the Billing Period, between electricity supplied to a Net Metering Customer from the distribution system and the electricity generated and fed into the distribution system by the Net Metering Customer, which is measured using a single Bi-directional Meter.
12. **“Qualifying Facility” or “QF”** – means a generating facility which meets the requirements set forth in Federal Energy Regulatory Rules promulgated under Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA) and has been granted status as meeting such requirements. In general, a QF must either produce useful thermal energy and electricity through sequential use of energy or have a renewable resource (e.g. biomass, waste, geothermal) as its primary energy source.
13. **“Renewable Energy Credits” or “RECs”** – means a renewable energy credit as defined in the Green-e Energy National Standard and shall include all the renewable attributes associated with the applicable level of corresponding energy production.
14. **“Retail Billing Amount”** means the dollar amount calculated by applying the electricity supplied to a Customer Generator from the distribution system under the applicable retail rate of the Cooperative, plus all other applicable costs under the applicable retail rate schedule.

## B. Interconnection Requirements

1. A prospective Customer Generator, that intends to install a Distributed Generation Facility, must complete all the requirements outlined in the applicable Distributed Generation Interconnection Procedure document prior to interconnecting.

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## **C. Conditions for Interconnection**

1. A prospective Customer Generator may begin operation of his or her Distributed Generation Facility on an interconnected basis when:
  - a. All conditions outlined in the applicable Distributed Generation Interconnection Procedure document have been satisfied.
  - b. The Member has executed a written Distributed Generation Facility Interconnection Agreement with the Cooperative and is in compliance with all requirements set forth therein.

## **D. Obligations to Purchase Energy**

1. The Cooperative may purchase energy from the Customer Generator under any of the following types of arrangements; i) Net Metering, ii) Net Billing, or iii) Purchase Power Agreement (“PPA”) and this will be determined solely by the Cooperative in accordance with prevailing law and the policies of the Cooperative.
2. Unless a Distributed Generation Facility meets the requirements for Net Metering and is approved for Net Metering by the Cooperative, the Cooperative is not obligated to purchase any energy produced by the Distributed Generation Facility but may do so if such purchase is in the best interest of the Cooperative.
3. Any purchases by the Cooperative from a Customer Generator that has formal status as a QF shall be in accordance with the provisions of the Cooperative’s Qualifying Facilities Rate For Power Purchase retail rate (Schedule “QFPP”).
4. Unless otherwise agreed to in writing, authorized and executed by the parties, the Cooperative shall not purchase energy from an eligible Customer Generator under the Net Metering service arrangements, described herein, if doing so will cause the total rated generating AC capacity of all distributed generation facilities to exceed 0.2% of the Cooperative’s annual peak demand for the previous year.
5. In any case where a prospective Customer Generator has submitted a notification or an application form for Net Metering and that Customer Generator’s interconnection, along with other action taken by the Cooperative and its other members, cause the total rated generating AC capacity of all distributed generation facilities to exceed 0.2% of the Cooperative’s annual peak demand for the previous year and if the application is to be denied by the Cooperative for such reasons, the Cooperative shall send a written notification of such denial to the prospective Net Metering Member.

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6. For other Customer Generators that are not subject to either i) Net Metering, or ii) Net Billing as described above, any purchases of electricity delivered onto the Cooperative's system will be conducted pursuant to a purchase power agreement ("PPA").

## E. Metering

1. Distributed Generation Facilities with Net Metering;
  - a. The Cooperative will use Bi-directional Metering for the Distributed Generation Facilities interconnected on the Net Metering Customer's side of the retail service meter.
2. Distributed Generation Facilities without Net Metering;
  - a. For Distributed Generation Facilities 10 kW and larger for residential and 100 kW and up to 10 MW for commercial, the Cooperative may elect to install one or more Bi-directional Meters or single direction meters.

## F. Energy Purchases

All service rules, regulations and restrictions outlined under the Cooperative's service rules and regulations, rate schedules for the purchase and sale of electricity and other requirements will apply, in addition to the following provisions.

1. Net Metering
  - a. When the electricity generated by the Net Metering Member's Distributed Generation Facility during the Billing Period exceeds the electricity consumed by the Net Metering Customer, the Net Metering Customer shall receive a credit for the Excess Net Energy pursuant to the Cooperative's applicable net energy metering rider.
  - b. The Net Metering Customer shall be charged for all other applicable cost under the then applicable retail rate schedule that would otherwise be applicable if the Member was not a Net Metering Member.
2. Net Billing
  - a. When the Energy Payment exceeds the Retail Billing Amount during the Billing Period, the Customer Generator shall receive a credit to the member's account for the next month's billing cycle consistent with the appropriate retail rate schedule.

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- b. If the Retail Billing Amount exceeds the Energy Payment, then the Customer Generator shall be billed for the difference in accordance with normal billing practices.

### 3. Purchase Power Agreement

- a. When applicable, all electricity generated by the Member's Distributed Generation Facility and delivered onto the Cooperative's distribution system shall be purchased at the applicable Capacity and Energy Purchase Rates.

## G. **Charges for Interconnection and Net Metering**

1. The Customer Generator shall be responsible for all costs of installing, operating and maintaining protective equipment and/or electrical facilities required to interconnect with the Cooperative's distribution system.
2. The Customer Generator shall be charged for the direct and indirect costs incurred by the Cooperative as a result of the interconnection and for providing Net Metering service.
3. Said charges will be determined in accordance with the Cooperative's Distributed Generation Interconnection Procedure document.

## H. **Notice of Additional Safety, Power Quality, and Interconnection Requirements**

1. The Distributed Generation Facility shall include, at the Customer Generator's own expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements as stated in the applicable Distributed Generation Interconnection Procedure document.
2. The Cooperative may adopt additional safety, power quality, and interconnection requirements in support of prudent utility practices.

## I. **Renewable Energy Credits**

1. The Cooperative shall retain ownership of any and all RECs produced by the Distributed Generation Facility, associated with Excess Net Energy purchased by the Cooperative through its Energy Payment under Rate Schedule NEM, unless there are specific provisions in the Interconnection Agreement with the Cooperative for their sale and/or purchase.
2. The Cooperative shall be responsible for the measurement, verification, and all record-keeping associated with the RECs it purchases through its Energy Payment of Excess Net Energy under Rate Schedule NEM.

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3. The Net Metering Customer shall be responsible for the measurement, verification, and all record-keeping associated with the production of RECs for which he consumes or uses.
4. The Net Metering Member is responsible for obtaining certification from the Center for Resource Solution's Green-e Energy program to demonstrate that RECs were produced and exist, if required by the Cooperative
5. The Net Metering Customer agrees that the Cooperative shall, for all Excess Net Energy purchased by the Cooperative through its Energy Payment under Rate Schedule NEM, also receive the RECs associated with said Excess Net Energy.

## J. Enforcement

1. Violation of any provision of this Policy, applicable Distributed Generation Interconnection Procedures, or any Interconnection or other Agreement between Sawnee EMC and the Customer Generator, or the determination by Sawnee EMC that any Distributed Generation Facility is causing an unreasonable, adverse impact upon safety, system reliability or power quality, may result in any action appropriate to address the issue, including, without limitation, disconnection of the Distributed Generator Facility from the Cooperative's distribution system and termination of electric service.
2. Action to terminate service of a member under this provision by the Chief Executive Officer or his/her designee shall be reported to the Board as soon as practical.

## SECTION 25 – ACCESS TO COOPERATIVE PROPERTY (NO. 413)

### A. GENERAL

1. Cooperative Personnel shall have the right of access and ingress and egress to a member's premises at reasonable times for the purpose of reading meters, testing, repairing, removing, maintaining, installing or exchanging any and all of the Cooperative's Property which at all times shall remain the sole and exclusive property of the Cooperative.
2. Further, the member shall not tamper with or in any way prohibit the safe and accurate operation of property owned by the Cooperative.
3. On occasion, the Cooperative incurs Access Denial because of the factors listed above. The following guidelines shall apply when Access Denial occurs.

### B. GUIDELINES

1. The following guidelines shall address two (2) basic categories. First, when Access Denial affects service only to the premises of the member denying access; and secondly, when

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Access Denial affects the Cooperative's service to multiple parties, and may or may not include the party denying access.

- a. Access Denial to premises of party denying access.
  - 1) Following Access Denial, the Cooperative may terminate service to the premises / location of the member creating Access Denial and, as directed by the Cooperative's President and Chief Executive Office (CEO) or his designee, remove all Cooperative Property from the property to which it is denied access.
  - 2) The membership of a member denying access shall be suspended and, unless access is re-established as provided for in this policy, the membership will be subsequently terminated, as provided for in Article II, Membership Suspension and Termination, Section 2.02 Termination By Expulsion: Renewed Membership; Immediate Disconnection of Service and Expulsion, of the Cooperative's Bylaws.
  - 3) A member may have his suspended membership and electric service restored as provided for in Article II, Section 2.02, of the Cooperative's Bylaws and by undertaking the following actions:
    - a) Executing a new application for service;
    - b) Paying any contribution in aid of construction (CIAC) or other costs, including without limitation, associated overheads incurred by the Cooperative in retiring and reinstalling, repositioning or otherwise replacing the Cooperative Property and facilities necessary to serve the member's premises;
    - c) Executing an easement in form and substance acceptable to the Cooperative which shall, among other terms, provide for safe, reasonable and continuing access to the Cooperative Property as provided in this policy and as is necessary to safely and efficiently operate the Cooperative's Property and facilities;
    - d) Satisfying such other reasonable terms and conditions as the Cooperative may determine.
- b. Property with multiple premises serving multiple members.
  - 1) The foregoing provisions in paragraph "a" above shall apply except that the Cooperative shall use its reasonable best efforts to continue service to members other than the member denying access.

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## SECTION 26 – METER ACCESS (NO. 414)

### A. GENERAL

1. The Cooperative, its contractors and its agents have the right, at all reasonable hours of the day, to access its members' premises for the purpose of installing, reading, replacing, maintaining or making any and all necessary changes to its electric energy meters and associated equipment.
2. The Cooperative, its contractors and its agents will provide members with identification upon request to assure the members that they have the authority and approval to be on site and perform the service required.
3. Failure to allow the installation and operation of a Cooperative specified energy meter at a member's premises may result in that member bearing all of the cost associated with any restrictions placed on this site by the member.

### B. METER LOCATIONS

1. All meter locations shall conform to the National Electric Safety Code (NESC), National Electric Code (NEC), State and local guidelines as well as guidelines set by the Cooperative and its lenders. Any violation of these standards may result in suspension or denial of service as well as the incurring of additional costs by that member.
2. All meter and metering equipment locations must be approved in advance by the staff of the Cooperative.
3. Locations must be free of permanent or temporary obstructions within or around a meter at a minimum of forty-eight (48) inches in all directions. These obstructions include, but are not limited to, trees, bushes, walls, or other items that would obstruct the view of the face / front of the meter or prevent reasonable access to the meter, or prevent the safe and reliable operation of the installed equipment. The Cooperative's employees, contractors and its agents, must be able to clearly and safely access the information presented on the meter as well as the information transmitted by the meter.
4. Potentially dangerous animals shall be placed in a safe and secure area away from the meters and associated equipment when the meter is to be accessed. These animals shall be kept at bay at all times while the Cooperative, its contractors or its agents are performing tasks at meters and associated equipment locations.
5. Gates and doors that are normally locked and would prevent ready access to the meter location should be left unlocked during the known general time of a meter activity or other known event. When it is not practical to do so, a key should be provided to the Cooperative.

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If a key to a lock cannot be provided, the Cooperative reserves the right to place one of its locks at the site to allow reading access.

6. If the meter is located in a hazardous location, reasonable care should be taken by the member to protect the safety of the Cooperative's employees, contractors and/or its agents.
7. The member has an obligation and duty to advise the Cooperative of any hazardous items or conditions in or near the vicinity of the electric meter and/or associated equipment.
8. Certain meters in the Cooperative's meter fleet use radio signals to communicate information and such signals shall not be interfered with in any way. No object shall be placed over or around a meter so as to distort the information or reception of this device.

## C. NON ACCESS LOCATIONS

1. The Cooperative will assess each meter location and determine its overall accessibility and operation characteristics.
2. Inaccessible or inoperable meters must be read by the Cooperative, its contractors or its agents at least bi-monthly, and more frequently if required to bill the customer and the cost associated with these activities will be borne by the member.
3. Maintenance and other inspections of a meter and its associated equipment can occur at any time and the Cooperative will strive to take these actions at a reasonable time of the day and with reasonable notice to the member.
4. Whenever it is determined that the location of a meter should be changed, in any way, to improve the accessibility and operability of the meter in question, such modifications may be made at the member's expense.

## D. METER ESTIMATIONS

1. Meters that can not be read for any reason will be estimated by the staff of the Cooperative.

## E. FEES

1. If a visit to the location of a meter is required to obtain a meter reading or an estimation of a monthly meter reading is required because of 1) no access or 2) due to the desire of the member to not have a standard meter installed at this location, then the member will be charged a monthly service fee for each such trip / visit as outlined in Policy 302, Service Fees.

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## F. OTHER

1. Meters with remote read capabilities will generally be inspected on a no less than three (3) year basis and more frequent basis as may be required by the Cooperative's lender, NESC, NEC or other governing authorities.
2. The Cooperative will also inspect meters with remote read capabilities at least once every three (3) years or more frequently as may be required by the Cooperative's lenders, NESC, NEC, and other governing authorities.
3. In no way does the processes outlined herein diminish or serve as a waiver of the Cooperative's rights to install, operate, maintain, replace or in any way modify all or portions of its distribution plant.

## **SECTION 27 – IDENTITY THEFT PREVENTION (NO. 415)**

### A. DEFINITIONS

1. **“Consumer Report”** is defined as any written, oral or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living which will be used at least partly to determine the consumer's eligibility to receive and pay for services.
2. **“Consumer Reporting Agency”** (CRA) is defined as any person or organization which, regularly engages in assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties. For example, Equifax is a CRA.
3. **“Covered Account”** means a utility account primarily for personal, family or household purposes.
4. **“Red Flags”** as used herein are patterns, practices or specific activities that, taken together or alone, indicate the possible occurrence of identity theft, including the following:
  - a. Alerts, notifications, or other warnings received from CRAs or other service providers, including fraud detection services (*e.g.*, fraud or active duty alert; credit freeze notice; address discrepancy notice informing of a substantial difference between the address provided by the consumer and the address on file with the CRA or an inconsistent pattern of activity based on history and pattern of activity, such as recent and significant increase in volume of inquiries, unusual number of recently established credit relationships, a material change in the use of credit or an account that was closed for cause or abuse);

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- b. The presentation of suspicious documents, including those that appear to be altered or forged; display an inconsistent physical description or depiction, or contain inconsistencies in light of the circumstances surrounding the account;
- c. The presentation of suspicious personal identifying information, such as an un-issued Social Security Number, suspicious address change, invalid phone number, other inconsistencies or association with known fraudulent activity;
- d. The unusual use of, or other suspicious activity related to, a Covered Account, such as non-typical activity in bill payment or repeated returned mail; and
- e. Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with Covered Accounts held by the Corporation.

## B. DUTIES TO DETECT, PREVENT AND MITIGATE

### 1. General

- a. All employees that have access to information in a Covered Account shall be trained to detect, and respond to, Red Flags.
- b. Means of identity verification shall include:
  - i. the applicant's full name;
  - ii. mailing address;
  - iii. street address;
  - iv. phone number;
  - v. photo identification;
  - vi. passwords (whether assigned by the Corporation or user-defined)
  - vii. for an individual, date of birth;
  - viii. for a U.S. person, a taxpayer identification number;
  - ix. for a non-U.S. person, one or more of the following:
    - 1. a taxpayer identification number; passport number and country of issuance;
    - 2. alien identification card number; or
    - 3. number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

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## 2. New Accounts

- a. When opening new Covered Accounts and performing other functions regarding Covered Accounts including but not limited to address and billing changes, the identity of the applicant or customer shall be verified to the extent reasonable and practicable under the circumstances.
- b. The Corporation should not open a new account if there is a fraud or active duty alert for the applicant or customer unless the Corporation gathers additional information sufficient to form a reasonable belief that the user knows the identity of the applicant or customer making the request.
- c. If one or more Red Flags are detected during the application process, while servicing an account, or otherwise, the staff member shall notify their supervisor or the Department Vice President or other designated staff.

## 3. Existing Accounts

- a. When servicing existing Covered Accounts, such as processing change of address requests, the staff shall authenticate the identity of the customer as well as verify the change of address or other information on the account.
- b. The Corporation should not open a new account or make material changes to an existing account if there is a fraud or active duty alert for the applicant or customer unless the Corporation gathers additional information sufficient to form a reasonable belief that the user knows the identity of the applicant or customer making the request.
- c. If one or more Red Flags are detected while servicing an account, or otherwise, the staff member shall notify their supervisor or the Department Vice President or other designated staff.
- d. Corporation will flag or mark accounts that are to be monitored so that any reviewer (e.g. CSR) servicing the account can be aware of the previous red flags or other concerns.

## 4. Supervisor Actions

- a. Employees who are notified of a Red Flag shall evaluate the degree of risk posed by the particular Red Flag(s).
- b. In determining an appropriate response, any aggravating factors, such as additional known Red Flags, increasing the risk of identity theft should be considered.

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- c. Appropriate responses to a Red Flag may include the following:
  - i. Monitoring the Covered Account for evidence of identity theft;  
The Corporation will mark accounts in such a manner so as to make it known to the CSR or other employee reviewing this account of any previous Red Flag concerns.
  - ii. Contacting the customer;
  - iii. Changing any passwords, security codes, or other security devices that permit access to the Covered Account;
  - iv. Reopening the Covered Account with a new account number;
  - v. Not opening a new account;
  - vi. Closing an existing Covered Account;
  - vii. Not attempting to collect on a Covered Account or not referring a Covered Account to a debt collector;
  - viii. Notifying law enforcement; or
  - ix. Determining that no response is warranted under the particular circumstances.

## 5. Record Management

- a. The Corporation shall maintain records of the information used to verify the applicant's identity, including name, address and other identifying information as applicable and used by the Corporation to verify a person's identity.
- b. If a governmental agency provides the Corporation with a list of known or suspected terrorists, the Corporation shall consult such list to determine whether the applicant appears on such list.

## C. SERVICE PROVIDERS

- 1. If the Corporation engages a service provider to perform an activity in connection with one or more Covered Accounts, the Corporation shall take steps to ensure that such activity is conducted according to reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft.
- 2. Where appropriate, the Corporation shall require by contract that service providers have policies and procedures to detect relevant Red Flags that may arise during performance of the services, and to either report the occurrence of the Red Flags to the Corporation or to take appropriate steps to prevent or mitigate identity theft.

## D. SOCIAL SECURITY NUMBERS

- 1. The Corporation shall not require customers to transmit a Social Security Number via the Internet unless the transmission is secure or encrypted.

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2. The Corporation shall not require customers to use a Social Security Number to access its website unless coupled with a Personal Identification Number or other method of identification.
3. The Corporation may require a Social Security Number to establish or terminate an account, to contract for services, or to confirm the accuracy of a Social Security Number on file.
4. The Corporation may use Social Security Numbers for internal administrative or verification purposes.

## E. USE OF REPORTS

1. Consumer Reports shall be used only in connection with the extension of credit, the extension of or provision of services to a customer, to review an account to determine if the customer meets the terms of the account and for such other legitimate corporate purposes as may be approved by the CEO.
2. If the Corporation takes an adverse action based on a Consumer Report, then the Corporation shall provide written notice either via U.S. Mail or electronic notice (e.g. email) to the applicant, which shall include:
  - a. Notice of the adverse action;
  - b. The name, address and toll-free telephone number of the CRA that provided such report;
  - c. A statement that the CRA did not make the decision to take adverse action and is unable to provide the consumer with specific reasons why the action was taken; and notice of the consumer's right to obtain a free copy of such report from the CRA within 60 days and to dispute the accuracy or completeness of such report, as required by applicable federal Consumer Credit Protection laws (15 U.S.C.A. §§ 1681m and 1681j).
3. Statement of Nondiscrimination

It is the continuing policy of the Corporation to treat all potential and existing members equally, regardless of their race, creed, color, age, sex, gender, national origin, religion, disability, medical condition, marital status, veteran status, or any other status protected by law. No person shall be denied services or be subjected to discrimination in any manner on the basis of these factors.

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## 4. Notice of Address Discrepancy

- a. If the Corporation receives a notice of address discrepancy from a CRA, the Corporation must reasonably confirm the identity and address of the applicant.
- b. The employee receiving the notice of address discrepancy shall report the notice to their supervisor or the Vice President of Office Services.
- c. Employees who are notified of the notice of address discrepancy shall take reasonable steps to verify the identity of the applicant by verifying the information provided by the CRA with the consumer or comparing other information maintained by the Corporation about the consumer (*e.g.*, change of address notification, account records, service application, etc.).
- d. If the Corporation obtains adequate confirmation to form a reasonable belief that the applicant is the same person listed in the notice of address discrepancy (Consumer Report), then the Corporation shall document how it resolved the address discrepancy and may proceed to open the account or take the requested action.
- e. If the Corporation is unable to form such a reasonable belief regarding the identity of the applicant, then the Corporation shall respond appropriately under the circumstances, such as not opening an account for the applicant, closing an existing account, or taking other actions as determined appropriate based on the circumstances.

## F. FURNISHING INFORMATION

1. When furnishing information to a CRA, the Corporation shall: report accurate information; correct and update incomplete or inaccurate information; report accounts closed voluntarily by the consumer; and report delinquent accounts that have been placed for collection, charged to profit or loss or subject to a similar action.
2. The Corporation shall not furnish information to a CRA if the furnisher has reasonable cause to believe such information is inaccurate.

## G. UPDATE AND COMPLIANCE REPORTS

1. The Identity Theft Prevention Program and the defined Red Flags should be reviewed and updated periodically based upon the following:

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- a. Experiences of the Corporation with identity theft;
  - b. Changes in methods of identity theft;
  - c. Changes in methods to detect, prevent, and mitigate identity theft;
  - d. Changes in the types of accounts that the Corporation offers or maintains; and
  - e. Changes in the Corporation's business arrangements which would impact the Identity Theft Prevention Program, such as service provider arrangements.
2. Staff responsible for implementation of the Identity Theft Prevention Program shall provide compliance reports at least annually to the President and CEO regarding the Corporation's compliance with applicable law.
  3. The President and CEO shall review the compliance reports and take appropriate action, if required.
  4. Compliance reports should address material matters related to the Identity Theft Prevention Program and evaluate issues such as:
    - a. the effectiveness of the Corporation's policies and procedures;
    - b. service provider arrangements;
    - b. significant incidents involving identity theft and management's response; and
    - d. recommendations for material changes to the Identity Theft Prevention Program.

## **SECTION 28 – CRANE AND DERRICK SUPPORT NEAR OH LINES (NO. 418)**

- A. In all cases within this policy, the "Requesting Party" will be defined as the party or parties requesting information or requesting specific actions by the Cooperative, as prescribed under the OSHA Standard.
- B. The Cooperative will, as more fully defined herein, strive to meet the letter and spirit of the OSHA Standard as it relates to Sub Part 1926.1407 to 1926.1410.
- C. Also, the Cooperative has by this policy, established the manner and method that the staff is to handle and address the various requirements of the OSHA Standard as it relates to the duties and responsibilities of an owner / operator of power lines and related facilities and as more fully defined in Sections 1926.1407 to 1926.1410 of the OSHA Standard.
- D. Therefore, the staff of the Cooperative is hereby authorized and empowered to undertake the following actions and charge the following fees as specified below:

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1. Providing of Voltage Levels of the Cooperative's Facilities – Relative to this aspect of the OSHA Standard, the staff is hereby instructed to provide this information, in written or verbal form, at no cost (\$0) to the Requesting Party.
2. Participation in Planning Committees – Relative to this aspect of the OSHA Standard, the staff is hereby instructed that they will provide the Requesting Party with a good faith estimate of the cost for the Cooperative to participate in said Planning Committee. An estimate shall be provided in advance of any meeting(s) and the Cooperative shall receive approval and assurances from the Requesting Party that such costs are acceptable and approved. This cost shall include direct (e.g. salary) and indirect costs (e.g. overhead, benefits and transportation expense), associated with the Cooperative's participation.
3. De-energize and Grounding of the Cooperative's Facilities - Relative to this aspect of the OSHA Standard and given the nature of the Cooperative and the design of the Cooperative's distribution facilities, the staff is hereby instructed, generally, not to de-energize or ground a distribution line of the Cooperative. In those rare cases where the staff feels that it can reasonably do so without impacting the level of electrical service that it provides to its member-owners, they are to provide the Requesting Party with a good faith estimate of the cost for the Cooperative to de-energize and ground certain facilities of the Cooperative. An estimate shall be provided in advance of any facilities being de-energized and the Cooperative shall receive approval and assurances from the Requesting Party that such costs are acceptable and approved. This cost shall include direct (e.g. salary) and indirect costs (e.g. overhead, benefits and transportation expense), associated with the Cooperative's participation.
4. Relocation of the Cooperative's Facilities – All relocation requests received by the staff of the Cooperative, from Requesting Parties, will be handled as prescribed by the applicable corporate policy, including but not limited to such policies as Policy 402, Area Coverage / Extension of Service / Relocation of Service and Policy 409, Underground Electric Service.
5. Other Services - All requests from a Requesting Party in compliance with said OSHA Standards will be evaluated and considered as prescribed herein or as may be more accurately defined in another corporate policy. Any service not specifically defined herein will be evaluated and considered by the President and Chief Executive Officer (CEO) and he / she will determine if a charge is applicable.
6. The staff may seek a waiver, in part or in total of the costs outlined above, from the CEO, or his designee, that when in their sole opinion, such requests on behalf of the Requesting Party, has merit and is in the overall best interest of the Cooperative.
7. Notwithstanding the provisions included in this policy, the Cooperative shall comply with the Georgia Utility Facility Protection Act (GUFPA).

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8. This policy will be reviewed no less than every two (2) years for possible revisions and/or reconsideration or when a change in the OSHA Standard occurs.

## **SECTION 29 – MEDICAL CONDITION (NO. 419)**

### A. GENERAL

The following actions are to be followed when a Cooperative member (Member) notifies SEMC that electricity should not be turned off because they, or someone living in the household, has a medical condition which requires electrical service for the operation of medical equipment to prevent a life-threatening situation from occurring.

### B. ACTIONS

Members should take the following actions when the risk of service termination for non-payment exists and the use of medically necessary equipment is required to prevent a life-threatening situation:

1. Members must have certification from the attending physician on file (See Exhibit “A” attached) with the Cooperative.
  2. The Member’s life threatening condition and the medical equipment that runs on electricity, as well as the probable duration of the Member’s life threatening condition that necessitates the use of such medical equipment, must be attested to by the attending physician.
  3. Members will provide the attending doctor’s name and fax number or email address for the certification form to be provided directly to the doctor’s office. The staff of the Cooperative will not provide the certification forms to the Member for their completion.
  4. The certification form must be faxed or emailed directly to the Cooperative from the doctor’s office within five (5) calendar days from the date the certification form is sent to the doctor’s office.
- C. Upon receipt of the certification form from the doctor’s office, the Member’s electricity will remain on, and the Cooperative will make reasonable payment arrangements to allow the Member adequate time to pay all past due balances and become current, relative to balances due.
- D. This policy only applies to established Members.
- E. In the event that the Member fails to make payments on the agreed upon payment schedule, the Cooperative’s Customer Service staff will provide written notification via certified mail, regular mail or personal service (e.g. hand delivery or posting at the service location) to the Member giving

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them five (5) days' notice upon receipt of the Cooperative's intent to terminate the Member's electric service.

- F. Each certification form received by the staff of the Cooperative will be valid for the lesser of:
  - 1. the length of such medical condition, or
  - 2. one (1) month from the date of the certification form.
- G. Upon expiration of the medical condition stated on the certification form, the customer may file a second (2<sup>nd</sup>) certification form which will renew the postponement period.
- H. A maximum of two (2) certification forms will be allowed and once this number has been reached, no further renewals of the postponement period will be allowed until the account is paid in full and considered "current".
- I. In the event that the Member presently has a Medical Priority Service Code, the Cooperative will generally attempt to contact and inform them of this policy prior to disconnection for nonpayment.

## **SECTION 30 – PREPAID METERING PROGRAM (NO. 420)**

### A. General

- 1. The Program, as defined herein, is voluntary and a participating member ("Participant") must request to participate in the Program by executing the supplemental contract "Prepaid Metering Program Terms and Conditions" (Exhibit 1 attached hereto).
- 2. The Cooperative, at its sole discretion, may elect not to accept a member into the Program.
- 3. The Cooperative may remove a Participant from the Program for not adhering to the requirements as stated herein, or as may be amended.
- 4. Certain monthly values applicable to a member's account(s) may be converted to "daily values" under the Program.

### B. Requirements

- 1. Participants in this Program are responsible for all aspects of the administration of their account under the Program.
- 2. Participants are strongly encouraged to subscribe to the Cooperative's online bill payment portal.

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3. The Program is limited to the Cooperative's single phase (equal to or less than 200 amp service) account(s) that qualify to receive service under the Cooperative's Retail Rate Schedule "H", Residential Service.
4. Certain limitations and exceptions apply and are outlined below.

## C. Limitations and Exceptions

1. This Program is limited to:
  - a. Single phase, 200 amp or less, service applicable under the Cooperative's Retail Rate Schedule "H" and/or locations that qualify for and receive service under this rate schedule; and
  - b. Eligible applicants who agree to abide by the service rules and regulations of the Program, as they may exist from time to time and as amended and defined herein.
2. Members are not eligible for the Program if:
  - a. The member, or a resident within the same premises, has a medical condition requiring electric service to prevent the occurrence of a life threatening medical emergency.

## D. Cooperative Programs That Do Not Apply to the Prepaid Metering Program

1. The Cooperative's Budget Billing program, as defined in Policy 310, Residential Budget Billing Plan, is not available under this Program.
2. The Sawnee Foundation program known as "Operation RoundUp" is not available under this Program.
3. Members enrolled in this Program do not have the ability to make payment arrangements as provided for under the Cooperative's Policy 403, Payments, Disconnection for Non-Pay and Arrangements.
4. The Cooperative's Electronic Fund Transfer payment program is not available under this Program.
5. The Cooperative's Net Energy Metering Rider (NEM) is not available for use under this Program.
6. The Cooperative's Bank Draft and Credit Card draft programs are not available under this Program.

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7. The following fees listed under Policy 302, Service Fees, shall not apply to Participants in this Program:
  - a. Content, “II”, Type of Service, “A”, Late Payment, “5”, Residential, “a”; and
  - b. Content, “II”, Type of Service, “A”, Service Connection, “3”, Paragraph “a”

## E. Retail Rate Schedule

1. Participants in the Program will be billed by the Cooperative for all costs and electric energy used while in this Program, under the Cooperative’s Retail Rate Schedule “H” (Residential Service), as it exists or may be amended by the Board of Directors.
2. Certain cost(s) for this rate may be converted to a “daily value” and assessed daily.

## F. Daily Energy Reading

1. The Program will use, whenever possible, actual, and in some cases estimated, daily energy readings derived from the data contained in, or received from, the Participant’s energy watt-hour meter located at the Participant’s service location or in the case of an estimate, as may be developed by the staff of the Cooperative.
2. Missed or missing daily energy usage readings may be “estimated” should the actual meter reading not be received in a timely manner or is otherwise unavailable.
3. Should the Cooperative, for whatever reason, not be able to obtain an actual daily meter reading for an extended period of time, it may elect to collect an actual meter reading and once collected, may make such adjustments (debit or credit) as may be necessary to the billed energy and amount owed by the Participant to reflect the actual amount of energy used under the Program.

## G. Billing

1. Paper bill forms and/or paper billing statements will not be provided under the Program via U.S. Mail or otherwise.
2. Information about payments, bill amounts and/or account balances will be available through the Cooperative’s payment portals and/or other remote access channels.

## H. Payments

1. Applicants must make an initial prepayment for electric service of at least forty dollars (\$40), plus the applicable fees specified in Policy 302, Service Fees, as well as any other applicable fee (e.g. membership or other).

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2. This initial prepayment will be credited to the Participant's prepaid account at the time the member begins service under this Program.
3. Payments are posted to a Participant's account once they are received.
4. Energy assistance pledges and/or payment assistance support will be applied to a Participant's account when such payments are actually received by the Cooperative.

## I. Outstanding Balances Due

1. A Participant must agree to pay all outstanding amounts billed by the Cooperative prior to enrolling into the Program.
2. A maximum amount of \$400 will be allowed to be placed on a prepaid arrangement.
3. Any unbilled energy charges must be paid prior to participating in the Program.
4. Failure to pay any outstanding amounts owed to the Cooperative in accordance with either the arrangement or the provision of the policy will result in the Participant's electric service being disconnected.

## J. Minimum Balance Requirements

1. A Program Participant will be required to maintain a balance equal to or greater than zero (\$0) in their account at all times under this Program.
2. Once a Program Participant reaches a balance less than zero (\$0) on the account, the Participant's electric service shall be subject to immediate disconnection.

## K. Disconnect Notices

1. A Participant will not receive printed / paper delinquent notices via U.S. Mail under this Program.
2. All official communications under the Program, which include notice of disconnection of service and low account balance notices will be provided through the Cooperative's online portals.

## L. Service Security Deposit

1. All deposit amounts, as defined under Policy 307, Service Security Deposits - Residential, do not apply to Participants while enrolled in this Program.

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2. Policy 307, as it currently exists or as it may be amended, does apply when a person seeks to re-establish / establish electric service with the Cooperative when not participating in this Program.
3. The credit history established with the Cooperative while receiving service under the Program will not be considered when evaluating the application of the criteria defined under Policy 307.
4. Any and all existing deposits that have been paid on the affected account by a Participant, and retained by the Cooperative, shall be credited to the Participant's account as a part of participating in the Program.
5. A refund of any excess deposit amounts will be considered by the Cooperative on a case-by-case basis.

## M. Disconnection of Service and Membership Termination

1. A Participant in the Program will be disconnected from service once they have a balance of less than zero (\$0) on the account.
2. Members enrolled in the Program, whose disconnection may be deferred pursuant to the Cooperative's cold or hot weather rules, will accrue debt for all electric service provided during the deferral period and will be responsible for paying all such amounts to maintain service.
3. Disconnection can occur at any time (e.g. 7 days/week, 24 hours/day) including holidays and weekends (e.g. Saturday and Sunday).
4. Participants disconnected for a period of seven (7) days or more will be considered inactive, have their membership terminated, and will receive a "final bill" including all amounts for service received, less payments and refunds of refundable fees and charges.
5. Final bills for inactive accounts will be sent via U.S. Mail to the Participant's last known address on file with the Cooperative for the account in question.
6. For inactive accounts, all amounts then owed, together with other applicable fees and charges, must be paid prior to service being restored.
7. Former Participants whose accounts are inactive shall not be considered members and shall not be entitled to exercise any rights of a member unless a new membership is established in accordance with the Cooperative's Bylaws.

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## N. Service Restoration Prior to an Account Becoming Inactive

At any time prior to a Participant's account being deemed "inactive":

1. Once a Participant's electric service has a balance greater than zero (\$0) on the account, service will generally be restored / re-established as soon as practical.
2. Service restoration will occur by a remote device, located at the Participant's residence thus remotely restoring service.
3. The Participant may be required to take certain actions, as directed by the staff of the Cooperative, before electric service can be restored to insure such restoration is occurring in a safe and appropriate manner.
4. The staff of the Cooperative may provide Participants with specific instructions as to the step(s) needed to restore service, once it has been disconnected and the account balance is greater than zero (\$0).

## O. Outstanding Balances at Program Initiation

1. Program Participants will only be allowed to make a one-time payment arrangement for any "outstanding" balance then owed to the Cooperative in the amount of \$400 or less under this Program.
2. The portion of any outstanding balance then due to the Cooperative greater than \$400 must be paid, in full, prior to being accepted to this Program.
3. All payments made under this Program which have a payment arrangement created prior to entering the Program, as described herein, will be credited as provided for below:
  - a. 50% of any payment shall be applied to the one-time payment arrangement balance; and
  - b. 50% of the payment shall be applied to the Program.
4. After the payment arrangement has been satisfied, all future payment amounts will be credited to the Participant's account under the Program.

## P. Indemnification

1. A Program Participant shall assume all liability for and shall indemnify the Cooperative and its members, trustees, directors, officers, managers, employees, agents, representatives, affiliates, successors and assigns for – and shall hold them harmless from – any and all claims, losses, costs and expenses of any kind or nature to the extent they

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relate to the account, participation in the Program, Participant's failure to comply with the provisions of the Program or obligations established herein, disconnection of the account, restoration of service to the account and interruption of service to the account, including but not limited to damages or losses from:

- a. personal injury or death;
  - b. property damage;
  - c. damages for financial or monetary losses allegedly due to disconnection of electric service, interruption of electric service or restoration of electric service to the prepay account;
  - d. inconvenience or discomfort from disconnection of electric service, interruption of electric service or restoration of electric service to the account;
  - e. health problems asserted to be related to disconnection of electric service, interruption of electric service or restoration of electric service to the account;
  - f. costs, expenses or attorney's fees incurred for a claim or lawsuit relating to disconnection of electric service, interruption of electric service or restoration of electric service to the account;
  - g. any and all obligations asserted by or on behalf of third parties arising out of or resulting from the account or Participant's failure to comply with obligations established under this Program;
  - h. any and all property damage, personal injury or death related to the restoration of electric service to the account after a period of disconnection; and
  - i. any consequential damages related to the account.
2. Participants in the Program assume responsibility for all electrical appliances and operating systems on the Participant's side of the meter (i.e. such as stoves, heaters, heating systems, irons, hair dryers, etc.) that had been operating at the time of disconnection and which may then be re-energized at time of reconnection.
  3. Participants indemnify the Cooperative from any damages whatsoever (personal injury, property damages, business losses, consequential damages, third party damages) related to restoration of electric service to the account.

## Q. Other

1. Street Lighting – All street lights billed by the Cooperative under its Outdoor Lighting ("OL") rate schedule relating to a Participant's account in the Program will be based on monthly charges associated with the street light.

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2. Meter Tampering – If tampering with any of the Cooperative’s property or equipment is discovered, the Participant will be removed from the Program and additional fees and/or deposits will apply as outlined in the applicable policy.
3. Program Termination and/or Changes – The staff of the Cooperative reserves the right to remove any Participant from the Program at any time. Also, the Board of Directors of the Cooperative, at its sole discretion, reserves the right to amend and/or cancel this policy and Program, at any time, without notice.

**R. Acknowledgement**

1. Participants in the Program must acknowledge, in writing, the acceptance of the Program requirements, as stated herein on Exhibit 1, attached to and made a part of this policy.

**SUPPLEMENTAL CONTRACT  
PREPAID METERING PROGRAM TERMS AND CONDITIONS**

**(Exhibit 1)**

The undersigned (hereinafter called the “Member”) hereby applies for participation in Sawnee Electric Membership Cooperative’s (hereinafter called “Sawnee EMC”) Prepaid Metering Program (“Program”), and agrees to abide by the following terms and conditions:

1. The Member acknowledges that in addition to this Supplemental Contract, the following documents, as they may exist from time to time, shall also apply to and govern the terms of the Member’s electric service from Sawnee EMC: (i) the Member’s Application For Membership, (ii) Sawnee EMC’s Bylaws, (iii) Sawnee EMC’s Service Rules and Regulations, (iv) Sawnee EMC’s Policies (including, without limitation, Policy 420, attached hereto); and (v) Sawnee EMC’s applicable rate or rate(s). This Supplemental Contract, and all the forgoing documents, as they may exist from time to time, shall be binding upon both parties and shall be referred to herein as the “Governing Documents.” To the extent that any provision of this Supplemental Contract or Policy 420 conflicts with any provision of another Governing Document, the provisions of this Supplemental Contract and Policy 420 shall control.
2. The Member shall pay any membership, transfer, connect and/or applicable fees as specified in the Governing Documents.
3. The Member acknowledges that Program participants will not receive a monthly statement of electric usage or other applicable fees or charges.
4. The Member shall be responsible for regular monitoring of the balance on the Program account and understands that electric service may be turned off immediately (including on weekends and holidays) without written notification once the balance on the account is less than zero (\$0.00).

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5. The Member acknowledges that electric service can be restored automatically and immediately upon a payment being made. **The Member must ensure that all electric appliances are turned off, and the electric system is safe to be re-energized, prior to the Member making a payment while service is disconnected. By signing below, the Member accepts full responsibility for, and agrees to hold Sawnee EMC harmless for, any and all damages arising from the re-energizing of the Member's electric service upon the deposit of a payment.**
6. If electric service remains disconnected for a period of seven (7) days or more, the Member's membership in Sawnee EMC will be terminated and the Member will receive a final bill. After membership is terminated, the Member will no longer enjoy the rights of membership, and reinstating electric service will require completion of a new membership application, payment of a new membership fee and compliance with such other terms of service as may then apply.

## **SECTION 31 – LIMITED ENGLISH PROFICIENCY PROGRAM (NO. 421)**

### A. General

1. The staff of the Cooperative have proposed herein and the Board of Directors (Board) have approved, a formal process to receive, process and respond to bona fide LEP complaints filed with the Cooperative.
2. The Vice President of Office Services (V.P.), or his/her designee, shall be considered the LEP Compliance Officer.

### B. Requirements

1. Any individual who believes that the Cooperative has discriminated against them, or against a class or persons, in violation of the Cooperative's LEP Program, may file a complaint with the Cooperative within 180 days after the date of the alleged discrimination. Failure to file a LEP complaint within 180 days may lead to dismissal of the complaint.
2. Once a LEP complaint has been received by the staff of the Cooperative, such LEP complaint shall be forwarded to the LEP Compliance Officer or his/her designee to be processed as outlined herein.
3. The LEP individual filing the complaint should, at a minimum, provide the following information for a complaint to be considered valid:

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- a. The name, address, telephone number, and signature of person filing the LEP complaint;
  - b. Facts and circumstances surrounding the LEP complaint, including the date of the allegation, and the legal basis of the LEP complaint (i.e., race, color, national origin, or LEP status);
  - c. Any names and contact information of persons, if known, whom the LEP Compliance Officer could contact for additional information to support or clarify the allegations; and
  - d. Corrective actions or remedies that the LEP complaint wishes to see provided.
4. The Cooperative shall make available an LEP Complaint form (attached as “Exhibit A”) upon request to individuals seeking to file a LEP complaint based on the Cooperative’s LEP program. This Complaint form outlines the specific information sought by the Cooperative in conducting any investigation into LEP Complaints, and shall be used by Cooperative employees in memorializing any verbal complaints based on the LEP Program. The Cooperative will provide translated versions of the Complaint form, as required by law and census data, relative to the Cooperative’s eligible service population.
5. Failure to utilize the Cooperative’s LEP Complaint form will not prevent a complaint from being processed; however, the failure to provide the information outlined above will result in the LEP complaint being considered invalid, and returned to the complainant (if possible) for completion. The staff will not take any action until the minimum information is provided.
6. In all cases, the LEP Compliance Officer or his/her designee, shall respond to all valid and completed LEP Complaints received as outlined below:
- a. With an initial assessment with ten (10) business days of receipt of a valid LEP complaint.
  - b. With the Cooperative’s final assessment and proposed action, if any, within sixty (60) days of receipt of a valid LEP complaint.

## C. Reporting

1. A log of all LEP Complaints received by the Cooperative and provided to the LEP Compliance Officer shall be maintained by the LEP Compliance Officer, or his/her designee, to serve as documentation of the nature of and final resolution of an LEP complaint.

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2. No less than annually, the LEP Compliance Officer, or his/her designee, shall make a written report to the Office of the President and Chief Executive Officer (CEO) as to the effectiveness of the Cooperative's LEP program and the nature and resolution of all valid LEP complaints received since his/her last report.
3. By approving this policy, the Board is also approving the Cooperative's supporting LEP Plan.
4. The staff will review the Cooperative's LEP Plan no less than every two (2) years to determine if any additional action is needed or warranted and where such action is needed, the staff will advise the Board accordingly.

## **SECTION 32 – VIRTUAL SOLAR PROGRAM (NO. 422)**

### A. Overview

1. This Program is designed to provide a qualifying participating member ("Participant") with certain benefits generally believed to be associated with a traditional on site solar system, without the challenges of on-premises solar system ownership.
2. Program Participants will receive a designated "allocation of solar energy", to their qualifying Cooperative account, for the assigned output of the Cooperative's solar assets assigned for use under this Program and relating to the assigned amount for the applicable billing period.

### B. General

1. Each Participant will be allowed to purchase the solar energy output from up to two (2) blocks of assets designated for use under this Program, until all of the available blocks assigned to the Program are fully subscribed.
2. The Cooperative will provide a monthly statement to each Participant, which will itemize their Program cost, as provided for in the Cooperative's Rate Schedule VSR, and will show the Participant's assigned solar energy to be credited on their account for the applicable billing period.
3. Participation in the Program is "voluntary", and certain restrictions apply. Participation will be on a "*month by month*" basis, with no contract. The Participant may cancel participation at any time and only those charges billed by the Cooperative, as of the date of termination, will apply.

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4. Each Program Participant will receive an allocated share of the energy produced, adjusted for losses, by the solar assets assigned to the Program for the designated billing period. The energy allocation will be based on the Participant's number of subscribed blocks, and the assigned energy production, as provided for herein.
5. Sawnee's NEM Rider will apply as it relates to renewable energy credits (RECs) under the Program. The RECs will remain with the energy, whether purchased or net energy sold – i.e., Sawnee will acquire RECs applicable to any electricity the participating account sells to Sawnee under the NEM Rider. The Participant will acquire any and all RECs applicable to the Participant's solar energy purchased under the Program.
6. Any energy that exists on a Participant's account, in excess of the Participant's actual monthly energy usage (e.g. energy sold back to the Cooperative), will be handled as outlined under Sawnee's NEM Rider; with all excess energy purchased by the Cooperative will occur so at the then published NEM rate(s) for the month in which the excess energy exists.

## C. Requirements

1. The Program is only available for Cooperative accounts served under its Residential Rate (Schedule "H") or its Small Commercial Rate (Schedule "SC") schedules.
2. Schedule VSR will identify the Program's monthly fixed cost per block of photovoltaic (PV) panels.

## D. Limitations

1. Members participating in the following programs shall not be eligible to participate in the Program: 1.) pre-paid metering, 2.) net energy metering program, and/or 3.) accounts that receive service under any other Cooperative retail rate than what is allowed herein.
2. The Program will be subject to the availability of blocks allocated for use under this Program, until they are all subscribed.

## E. Additional Restrictions

1. The Service Rules and Regulations, Bylaws, Charter, policies and rates of the Cooperative apply to the provisions of this policy and this Program.
2. The Board of Directors (Board) of the Cooperative reserves the right to amend, change or eliminate this policy and this Program at any time, without notice.

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**SECTION 33 – MERCHANDISING AND SELLING OF MATERIALS BY THE CORPORATION  
(NO. 503)**

**CONTENT**

**A. Meter Bases and Other Metering Equipment**

1. The staff of the Cooperative shall provide meter bases and other metering equipment as approved by the Cooperative.
2. All metering equipment shall be furnished on a fee basis. This fee shall be determined based on the cost of each item.
3. The Financial Services Department of the Cooperative shall, from time to time, establish the method and selling price of all such equipment.
4. The Cooperative shall, without charge and on a limited basis, furnish unique and unusual items to provide metering, as determined by the Cooperative.

**B. Poles**

1. The Corporation shall be allowed to sell poles to the general public.
2. Selling of these items shall be performed relative to the guidelines herein.

**C. All Other Items**

1. All other material items not specifically referenced herein, must follow the guidelines outlined in the policy and must be approved in advance by the President and Chief Executive Officer (CEO).
2. The CEO has established a level/value of items that can be approved for sale by the staff.

**D. General**

1. The Cooperative's Financial Services Department shall, from time to time, establish and as necessary revise the selling price of each item.
2. The Cooperative shall limit deviation from its principal business of selling electric energy to its members.
3. The Cooperative may sell electrical supply material, hardware and related items that are normally carried in its inventory only if the individual member-consumer is unable to obtain such items elsewhere.

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4. Any and all sales of electric materials, supplies, etc. must be conducted and transacted in the Cooperative's office, in person.
5. Such sales shall be authorized as outlined herein. Generally, only the CEO, as an agent of the Cooperative and being empowered by the Board of Directors (Board) with the authorization and responsibility of conducting and transacting the sale of materials, supplies, and other items as outlined herein, is empowered to make the decision on the sale of items.
6. The Financial Services Department shall maintain records for inspection, including items sold, their value, and the amount received for any and all materials, supplies and other items.
7. Payment will be accepted by cash, check or credit card. The applicable Cooperative maximum amount that can be charged on a credit card shall apply.
8. Under no circumstances will material, supplies or other items, which are part of Sawnee's garage inventory, stock or non-stock, be sold under this policy.
9. All sales are final. No refunds or exchanges will be allowed.

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