

# Customer Service Policy Manual

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## SCHEDULE OF CHARGES

January 1, 2021

### ACCOUNT FEES

<b>Membership Fee</b>	\$ 5.00
<b>Interest Rate on Account Deposits</b>	0.06%
<b>Late Payment Fee</b>	5% of Monthly Outstanding Balance

### RESIDENTIAL SERVICE

Deposit - Residential	<ul style="list-style-type: none"><li>• Highest 2 consecutive months in last 12 months, rounded up to nearest dollar</li><li>• Refunded after three consecutive years of service with no cut-offs for nonpay</li></ul>
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#### **Regular Billed without Collar**

New Account Service Fee	\$ 40.00
Reconnect Fee (Non Pay), Business Hours	\$ 40.00
Reconnect Fee (Non Pay), After Hours	\$ 80.00
Seasonal Connect/Disconnect Fee	\$ 40.00
Service Drop, After Hours	\$ 40.00
Meter Test Fee	\$ 40.00
Meter Tampering Fee	\$ 50.00 Minimum
Returned Check Charge	\$ 25.00

#### **Regular Billed with Collar**

New Account Service Fee	\$ 40.00
Reconnect Fee, Anytime	\$ 40.00

#### **Regular Billed**

New Account Read In/Read Out Service Fee - (Same day with no truck roll)	\$ 20.00
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#### **PAY-Go with Collar**

Eligible for Residential and GSA1 accounts

New Account Service Fee	\$ 40.00 (plus \$40 minimum payment on account)
Reconnect Fee, Anytime	\$ 40.00 Minimum (\$10 administrative fee, remainder on account) plus any negative amount on account
PAY-Go Minimum Payment	
CSR Assisted Transaction	\$ 40.00 Minimum
Automated System Transaction	No minimum (including website and IVR transactions)
In-Home Display Deposit	\$ 50.00 Refundable upon return of IHD in fair condition
Daily Usage Fee for In-home Display	\$ .05

#### **Non-Conforming Meter Charge**

\$45 Monthly Fee      Eligible for Residential and GSA1 members only

## SCHEDULE OF CHARGES

January 1, 2021

### COMMERCIAL SERVICE

(GSA1 accounts are eligible for PAY-Go.)

	<ul style="list-style-type: none"><li>equal to the sum of the highest two consecutive bills at that location for the last 12 months for existing and comparable to other similar locations for new service or locations with inadequate history</li></ul>
Deposit – Commercial	<ul style="list-style-type: none"><li>Held for life of account</li></ul>
New Account Service Fee	\$ 40.00
Reconnect Fee (Non Pay), Business Hours	\$ 40.00
Reconnect Fee (Non Pay), After Hours	\$ 80.00
Temporary Meter Fee	\$ 40.00
New Location Fee	
200 amp.	\$ 50.00
320 amp.	\$ 150.00
3-Phase	\$ 150.00
Additional Meter Base (Damaged After Rough-In)	
200 amp.	\$ 50.00
320 amp.	\$ 150.00
3-Phase	\$ 150.00

### ELECTRICAL PERMIT FEES

State Electrical Permit Fees	Electrical Permit Fees are set by the State of Tennessee. Rates are subject to change as mandated by the State.
GEMC Electrical Permit Fee	Gibson EMC charges an additional \$5.00 per permit as allowed by the State of Tennessee for administrative cost

### CONTRIBUTION IN AID (CIA) CHARGES

**Residential (RS1)** – Total expected costs to serve customer minus new location credit based on 10 years net electric revenue. The costs to extend primary lines down public roads are not to be included in this calculation.

<b>Credit:</b>	<ul style="list-style-type: none"><li>All Electric (EnergyRight eligible)</li></ul>	\$3,100.00
	<ul style="list-style-type: none"><li>Gas Water Heater</li></ul>	\$2,700.00

**Small Commercial (GSA1)** – Total expected costs to serve customer minus new location credit based on 5 years net electric revenue

**Credit:** \$600+(expected monthly kwh usage\*0.45)

**Large Commercial (GSA2)** – Total expected costs to serve customer minus new location credit based on 5 year net electric revenue

**Credit:** May use larger of:

- Expected average monthly demand\*\$3.60\*60 months (or)
- Contract demand\*30%\*3.60\*60 months

Note: Contract required if transformer bank kva rating is 225kVA or larger

**Irrigation Systems**

<b>Credit:</b>	<ul style="list-style-type: none"><li>GSA 1</li></ul>	\$1,500.00
	<ul style="list-style-type: none"><li>GSA 2</li></ul>	\$7,500.00

## SCHEDULE OF CHARGES

January 1, 2021

### OUTDOOR LIGHTING FEES

Light Installation Fee	\$ 30.00
Pole Installation Fee	\$ 30.00

Pole Type:	<u>(Cost per Month)</u>
Wooden	\$ 3.40
Galvanized Steel*	\$ 6.10      *

\*Not available for new installations

### SURGE ALERT FEES

Installation Fee	\$ 29.99
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#### Surge Equipment Leased:

Storm Filter w/Lights and One Plug In Unit	\$ 5.99
Storm Filter w/Lights (No Plug In Unit)	\$ 4.99

#### Surge Equipment Sold:

	<u>Equipment #</u>	<u>(Cost)</u>
A/C Plug-In	1200	\$ 64.99
A/C Video Plug-In	1200V	\$ 79.95
Storm Filter	MBA240HSE	\$ 167.95
8 Outlet Power Strip	KSSP8	\$ 99.00
A/C Telephone Plug-In with Ground Pin	1200TG	\$ 79.95
Twin Coax Sup. With Cables	CATV2	\$ 45.95
6 Outlet Universal Plug-in	US1206	\$ 99.00

### HEAT PUMP FINANCING FEES

UCC-1 Fixture Filing Fee	Determined by the applicable county public official
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### WATER HEATER FINANCING FEES

Processing Fee	\$30.00 to be added to the water heater loan amount
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### SOLAR

Application fee	\$500.00 non-refundable application fee that will be applied to the cost of the job if the member proceeds with the solar installation.
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#### Monthly Grid Connection Fee

0 - 19.9 kW	\$ 10.50/month
20 - 50 kW	\$ 18.00/month

## SCHEDULE OF RATES

Please see monthly Rate Sheets for each Rate/Class which is available in all Member Service Centers and on the Gibson EMC website ([www.gibsonemc.com](http://www.gibsonemc.com)).

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 1**

**OBJECTIVES OF THE COOPERATIVE**

I. OBJECTIVE

To outline the Cooperative's operational objectives.

II. POLICY CONTENT

Gibson Electric Membership Corporation's vision statement, mission and goals, along with the Seven Cooperative Principles provide the framework for the Cooperative's operations.

III. PROVISIONS

A. Vision Statement

Gibson EMC's vision is to be among the best member-owned organizations providing utility services.

B. Mission

The Cooperative's mission is to enhance our members' quality of life by providing exceptional services that are reliable, affordable and safe.

C. Gibson EMC has set forth five core goals:

1. To provide reliable utility related services – We construct, operate, maintain and improve the system to provide quality services, and minimize the length and number of interruptions.
2. To maintain financial integrity – We will operate in a fiscally responsible manner by controlling costs and maintaining a sound balance of equity and debt, while providing competitive rates.
3. To provide quality member products and services – We will offer programs and services that are convenient, cost-effective, and provide member benefits.

4. To be a good corporate citizen – We will enhance member quality of life by supporting economic and community development; and we will operate and maintain our facilities in an environmentally-friendly manner.
5. To promote healthy employee relations – We will maintain a well-trained workforce and create an environment that emphasizes safety, appreciation, and equal opportunity; provides competitive wages and benefits; and encourages exceptional member service and career commitment.

D. Gibson EMC will adhere to the Seven Cooperative Principles:

1. Voluntary and open membership – Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, regardless of race, religion, gender or economic circumstances.
2. Democratic member control – Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. Members have equal voting rights (one member, one vote).
3. Members' economic participation – Members contribute equitably to, and democratically control, the capital of their cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.
4. Autonomy and independence – Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control as well as their unique identity.
5. Education, training and information – Cooperatives provide education and training for their members, elected representatives, President and CEO, and employees so they can contribute effectively to the development of their cooperatives. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, help boost cooperative understanding.

6. Cooperation among cooperatives – By working together through local, national, regional and international structures, cooperatives improve services, bolster local economies and deal more effectively with social and community needs.
7. Concern for community – Cooperatives work for the sustainable development of their communities through policies supported by the membership.

#### IV. RESPONSIBILITY

The President and CEO is responsible for the administration of this policy.

EFFECTIVE: 11/1/1989

REVISED: 04/25/2005; 11/29/2021



GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 2**

**INFORMATION TO MEMBERS**

I. OBJECTIVE

To set forth the avenues through which the Cooperative shall communicate to its members.

II. POLICY CONTENT

Gibson EMC shall utilize various channels to inform Members of pertinent information such as rates, policies, and programs and services.

III. PROVISIONS

Gibson Electric Membership Corporation shall reasonably inform Members about rates and service practice policies by making such information available upon application for service and at any other time upon request.

Gibson EMC, upon request by the property owner, shall provide a statement of the monthly consumption for the prior 12 months if it is reasonably ascertainable.

Gibson EMC, as it determines appropriate, shall utilize print, electronic and telecommunications channels to inform Members about rates and service policies.

It shall be the policy of the Cooperative to communicate or advertise by any means when it can serve the best interest of the Members:

1. By informing them about the Cooperative's operation
2. By promoting goodwill and favorable public opinion
3. By promoting safe, efficient, and economical use of electric energy; and
4. By promoting programs and services that provide value to members.

#### IV. RESPONSIBILITY

The President and CEO is responsible for the administration of this policy.

EFFECTIVE: 11/1/1989

REVISED: 04/25/2005; 06/22/2015; 11/29/2021

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 3**

**PUBLIC SAFETY**

I. OBJECTIVE

To establish procedures and conditions that safeguard the Cooperative's members and the general public from potentially dangerous electrical conditions.

II. POLICY CONTENT

Cooperative members and the general public should never come into contact with electrical power lines. When potentially hazardous conditions are observed, Cooperative members and the general public should alert the Cooperative to the condition.

III. PROVISIONS

- A. The Cooperative, in the construction, operation, and maintenance of its electrical system, will at all times adhere to the provisions outlined in the most current edition of the National Electrical Safety Code (NESC), unless specifically required by other authorities to do otherwise.
- B. It is the responsibility of each employee, contractor, Cooperative member, and the general public to report to the Cooperative all unsafe conditions that any such person observes in the Cooperative's electrical system. Any employee, contractor, Cooperative member, or member of the general public, upon finding a power line in an unsafe condition or a condition not in compliance with NESC clearances should immediately notify the Cooperative concerning the unsafe condition. Cooperative employees and contractors should stand by to guard against hazardous conditions until they are relieved or until the defect is corrected. Cooperative members and members of the general public are not expected to stand by to guard against hazardous conditions but should notify, in addition to Cooperative personnel, law enforcement and emergency personnel respecting the unsafe condition.
- C. Members of the Cooperative and the general public should always assume that a downed power line or a sagging power line is unsafe. The

Cooperative and law enforcement authorities should be notified when such a condition is observed. Contact with power lines, whether downed or not, can result in injury or death and must be avoided.

- D. If any Cooperative member or member of the public inadvertently comes into contact with a power line, the incident should be reported immediately to the Cooperative. If there are injuries, emergency medical personnel should be contacted immediately. FURTHER CONTACT WITH THE POWER LINE SHOULD BE STRICTLY AVOIDED, AND THE INCIDENT SHOULD BE REPORTED IMMEDIATELY TO THE COOPERATIVE. IF THE INCIDENT OCCURRED ON A PUBLIC RIGHT OF WAY, LAW ENFORCEMENT OFFICIALS SHOULD ALSO BE NOTIFIED.
- E. All accidental contacts involving the Cooperative's electric lines, vehicles, or property shall be properly and promptly investigated, with complete accident reports prepared, including photographs and sketches to substantiate written reports.
- F. A copy of this policy shall be posted in the Cooperative's reception area. A copy of this policy shall be forwarded to various public agencies within the Cooperative's service area. A copy also shall be given to each new member upon application for service.

#### IV. RESPONSIBILITY

The President and CEO will be responsible for the administration of this policy.

EFFECTIVE: 02/01/1999

REVISED: 04/25/2005; 11/29/2021

REVIEWED: 12/27/2010

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 4**

**PUBLIC SAFETY PROGRAM**

I. OBJECTIVE

To alert Members and the public to the hazards that exist around high voltage power lines.

II. POLICY CONTENT

The Cooperative will educate employees, Members and the general public regarding the potential hazards of electrical power lines and how to identify and correct such hazards

III. PROVISIONS

A. Specific Hazards

Gibson Electric Membership Corporation employees should be alert to any antennae, signs, flag poles, grain elevators or grain bins, cranes, construction equipment, or other structures within falling distance or within close proximity to power lines.

If such a potential hazard is found, the employee should take the following action:

1. Locate the owner, if possible, and discuss the hazard with him and offer the assistance of Gibson EMC to help coordinate the safe removal of the structure to eliminate the hazard.
2. Notify the Vice President of Engineering and Operations so that the owner may be contacted to discuss the hazard and so that a follow-up letter may be sent.

When assistance is requested to help eliminate a hazard, Cooperative personnel are authorized to de-energize the line while the work is underway and/or use Cooperative equipment in stabilizing, lifting, or otherwise assisting in the actual moving or removal of the structure.

If assistance is refused, the President and CEO or the Cooperative's legal representative will write the owner stating that Gibson EMC cannot

assume any responsibility whatsoever for any accident involving injury to persons or property arising from the situation and reiterate the Cooperative's offer to help eliminate the hazard.

B. Educational Activities

1. A continuing program of public awareness should be conducted using print and electronic media as deemed appropriate.
2. Demonstrations on public safety around electric lines will be offered to schools and civic groups.
3. Publications pertaining to electric line safety will be available at all member service centers.

IV. RESPONSIBILITY

The President and CEO is responsible for administering this policy.

EFFECTIVE: 11/1/1989

REVISED: 04/25/2005; 11/29/2021

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 5**

**BENEFICIAL ELECTRIFICATION**

I. OBJECTIVE

To promote the efficient and environmentally-friendly use of electricity by the Cooperative, and its employees, Members and the public.

II. POLICY CONTENT

The Cooperative will explore, implement and promote programs and services that encourage the efficient and environmentally-friendly use of electricity.

III. PROVISIONS

It shall be the policy of Gibson Electric Membership Corporation to:

1. Constantly examine its own use of energy. This includes, but is not limited to, plant engineering design and construction, lighting and climate control and use of vehicles.
2. Develop and implement programs and services to encourage the efficient use of electricity.
3. Develop and implement an information and education program so that the need for energy management is understood, as well as what each Member can do to use electricity efficiently.

IV. RESPONSIBILITY

The President and CEO is responsible for administration of this policy.

EFFECTIVE: 11/1/1989

REVISED: 04/25/2005; 11/29/2021

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 6**

**RIGHT OF ACCESS**

I. OBJECTIVE

To inform the member of the responsibility to grant access to the member's property.

II. POLICY CONTENT

Gibson Electric Membership Corporation's authorized employees, agents and independent contractors shall have access to the member's premises at all reasonable times for the purpose of reading meters, and testing, maintaining, removing, or exchanging any or all equipment belonging to Cooperative.

III. PROVISIONS

Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from hostile dogs or any other hostile source for meter reading, bill collecting and inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times. As part of the consideration for such service each member shall be the Cooperative's bailee for any of Cooperative's property or facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such property or facilities, and shall use his best efforts to prevent others from doing so.

IV. RESPONSIBILITY

The President and CEO is responsible for the administration of this policy.

EFFECTIVE: 11/1/1989

REVISED: 04/25/2005; 11/29/2021



GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 7**

**MEMBERSHIP**

Each prospective Customer desiring electric service will be required to sign Gibson Electric Membership Corporation's standard form of application and pay a membership fee for service or contract before service is supplied by the Cooperative.

No Customer shall hold more than one (1) membership. The membership fee shall from time to time be fixed by action of the Board of Trustees.

The prospective Customer shall apply for electric service and membership either orally or in writing with an authorized employee of the Cooperative and provide personal identifying information.

EFFECTIVE: 11/1/89

REVISED: 04/25/05; 10/27/08

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 8**

**SECURITY DEPOSITS**

A deposit or suitable guarantee will be required of any Customer before electric service is supplied.

I. Residential Property

A security deposit shall be collected from all new residential customers and residential customers reestablishing service. Residential security deposits shall equal the sum of the highest two consecutive monthly bills in the last twelve months, rounded up to the nearest whole dollar. Locations with inadequate history will be estimated based on square footage of the home. Interest will accrue on all deposits and will be applied to the member's deposit balance annually. Interest rate will be reviewed and set in December of each year.

Gibson Electric Membership Corporation may credit residential Customer's deposit to Customer's electric account three years from the month it was made. Upon termination of service, deposit may be applied by Cooperative against unpaid bills of Customer, and if any balance remains after such application is made, said balance shall be refunded to Customer.

On the third anniversary date of any security deposit, such deposit and any accrued interest will be credited to the Customer's electric account unless there has been a cut-off for failure to pay an account within the past thirty-six (36) months, then the refund will be extended until the customer has established 36 consecutive months of service with no cut-offs for non-payment.

II. Commercial Property

A security deposit equal to the sum of the highest two consecutive monthly bills in the last twelve months shall be collected from all new commercial customers and commercial customers reestablishing service. For locations with inadequate history, the deposit will be estimated based on the highest two consecutive months of a comparable location. Commercial account deposits will be refunded upon termination of service.

The deposit requirement may be set up by any one or more of the following:

1. Cash or equivalent.

2. A certificate of deposit in the joint names of the Customer and the Cooperative and held by the Cooperative in any insured bank or other financial institution authorized to issue such certificates. Signed letter of agreement.
3. Surety bond
4. Deposit Insurance through TVA
5. Irrevocable Letter of Credit

Interest will accrue on all deposits and will be applied to the member's deposit balance annually. Interest rate will be reviewed and set in December of each year.

In the case of 3. or 4., all interest over and above necessary for the full payment of any account due the Cooperative shall benefit the Customer.

EFFECTIVE: 11/1/89

REVISED: 1/1/95; 8/31/98; 04/25/05, 06/27/05, 01/30/06; 03/24/08; 01/25/10;  
06/22/2015

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 9**

**CUSTOMER BILLING AND PAYMENT**

I. POSTPAID ACCOUNTS

Bills will be rendered monthly and shall be due within fifteen (15) days from the date the bill is produced. Payment must be received by Gibson Electric Membership Corporation by the bill's due date or it will be considered delinquent. Failure to receive a bill will not release a Customer from payment obligation. Should bills not be paid as above, the Cooperative may at any time thereafter, upon three (3) days' written notice to the Customer, discontinue service. Such notice will contain the rights and remedies for a Customer to dispute the bill. Bills paid on or before the final date of payment shall be payable at the net rates, but thereafter the gross rates shall apply, as provided in the Schedule of Rates and Charges.

Gibson EMC shall render bills monthly, and designate a standard net payment period for all Customers of not less than 15 days after the date of the bill. Failure to receive a bill will not release a Customer from payment obligation. Gibson EMC may establish for all Customers a late payment charge not to exceed 5 percent for any portion of the bill paid after the net payment period. However, each Customer will be allowed one late payment in the latest 12 month period, without a late charge assessed.

Payment must be received in one of the Cooperative's customer service centers on the due date. If the due date falls on Saturday, Sunday, or a holiday, net payment will be accepted if paid on the next business day.

II. PAY-GO-ACCOUNTS

A. Billing for Members on Gibson EMC Pay-Go Program

1. Eligibility

New and existing residential and GSA 1 members are eligible for participation. The member must pay all applicable fees prior to commencement of the service. Existing members with billed or unbilled account balances may either pay the existing balance or the Cooperative will collect the balance through the debt recovery

mechanism. Members with heat pump loans and/or water heater loans may not be eligible for PAY-GO.

2. Fees and Charges

Any and all existing fees, rates and charges continue to apply, including existing applicable energy charges and member charges. Energy usage plus pro-rata monthly fees apply. Deposit will be required on all In-Home Display (IHD) devices and will be held until unity is returned in good working order.

3. How the Program Works

A member desiring to enroll in prepay service shall make a request to the Cooperative. The Cooperative will allow enrollment into prepay service if the member meets the eligibility requirements. Once a credit balance has been established the account will be activated. As energy is consumed, the credit balance is reduced until either the balance is exhausted or additional payments are added to the balance. Any account with a \$0 balance is subject to immediate disconnection in accordance with Schedule of Rules and Regulations #10. Participants will receive daily notification of account balance information via e-mail, IHD, text (if they send a request) or through our automated phone system for low balance alerts.

4. Credit Extensions or Payment Arrangements

Prepaid accounts are not eligible for credit extensions or payment arrangements. Member will not receive a monthly bill.

5. Debt Recovery

A debt recovery mechanism may be utilized to collect any prior balance that may exist when the member applies for service. A percentage of 50% of an agreed upon prior debt balance will be taken out of each payment received from the member and applied to the existing debt, until the debt is paid in full.

6. Notification

Members may elect to be notified of low balances and daily balance via e-mail and/or text message, through an In-Home Display (IHD) or through an automated member service system. Through the automated member service system, members will receive phone calls for low balance alerts only. Member is

responsible for notifying the Cooperative of any change in the email address or cellular telephone number designated to receive notifications. Member also understands that he/she is responsible for any cellular telephone or texting charge incurred due to daily notifications being sent to these devices. Gibson EMC is not responsible for fees charged by member's carrier. The member is responsible for carrier charges relating to email or text notifications.

7. Disconnection

A disconnect collar may be installed on each prepay account. The member understands that they must notify Gibson EMC if they move or cease service at the location. Prorated daily charges will apply until the member requests final disconnect. Gibson EMC will final the account after 15 days of inactive service. Member waives prior written notice for disconnection.

In addition, members on PAY-Go are subject to the Schedule of Rules & Regulations #11, Discontinuance of Services by Gibson EMC.

8. Cancellation

Participants may convert an account to postpaid electric service at any time provided the member's account is current and an adequate security deposit is provided. Service terminated at the request of the member will receive a refund of any remaining credit on the account.

III. PAYMENT METHODS

Payment may be made by any of the following methods:

1. Cash
2. Check, manual or electronic
3. Money order
4. Visa/MC Card, credit or debit (up to \$500)

Manual or electronic checks returned for insufficient funds will be assessed a service charge, and the customer will be given five (5) days to submit cash payment.

A meter that has been disconnected for non-payment and subsequently reconnected due to payment with manual or electronic checks, and said check has

been subsequently returned for insufficient funds, is subject to immediate disconnection.

EFFECTIVE: 11/1/89

REVISED: 8/31/98; 04/25/05; 11/23/2015

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 10**

**ACCOUNTS IN ARREARS**

I. Delinquent Accounts

Service may be denied a Customer in good standing who seeks service in his/her name for another Customer who is delinquent in the payment of his/her electric account.

Should delinquent bills remain unpaid for a period of 60 days they are to be turned over to a collection agency or attorney for collection. Customer agrees to pay all reasonable attorney and collector's fees for collection of the account, by suit or otherwise. Annually in December, delinquent bills remaining unpaid for a period exceeding six (6) months are to be presented to the Board of Trustees for authorization to write off.

II. Defaulted Accounts

A person applying for service in the Corporation's area shall be asked if he/she has previously had service from the Corporation. If it is found he/she has had service, the files are checked for any bills which may have been left outstanding from a former location. Should there be any bills of this nature they shall be collected before service is given.

If the outstanding bills are in a large amount and the person is unable to pay total amount at one time, some agreement may be made as to a breakdown of payments on this amount in order for service to be given.

EFFECTIVE: 11/1/89

REVISED: 04/25/05; 01/21/08



GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 11**

**TERMINATION OF SERVICE FOR NON-PAYMENT**

The Cooperative may refuse to connect or may discontinue service for the violation of any of Gibson EMC policy, bylaw, or contract with the Customer. The Cooperative may discontinue service to the Customer for the theft of electricity or the appearance of electricity theft devices on the premises of the Customer. The discontinuance of service by the Cooperative for any causes as stated in this rule does not release the Customer from his obligation to the Cooperative for the payment of minimum bills as specified in application of the Customer or contract with the Customer.

Whenever service has been discontinued by the Cooperative, as provided above, or a trip is made for the purpose of discontinuing service, a charge may be collected by the Cooperative before service is restored.

Service may not be terminated for non-payment of a bill except after affording the affected Customer proper notice. Reasonable prior written notice shall be given before termination for non-payment.

1. Written notice of termination ("cut-off notice") shall be given to a Customer at least three (3) days prior to the scheduled date of termination. The "cut-off notice" will include:
  - a. The amount due, including other charges.
  - b. The last date for payment and place of payment to avoid termination.
2. The Customer is subject to disconnection one month after reading date.
3. If a Customer is due to be disconnected for the first time, Gibson EMC will attempt to contact the Customer prior to termination.
4. Meetings for disputed bills will be held by appointment at any Gibson EMC Customer Service Center between the hours of 8:30 A.M. and 5:00 P.M. on any business day; or by special request and appointment a hearing may be scheduled outside said hours.
5. If the Customer does not make payment, notify Gibson EMC of dispute of bill, or make other arrangements acceptable to Gibson EMC by the last date for payment, Gibson EMC will proceed on schedule with termination.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 12**

**TEMPORARY SERVICES**

Customers requiring electric service on a temporary basis may be required by Gibson Electric Membership Corporation to pay all costs for connection and disconnection incidental to the supplying and removing of service. This rule applies to, but is not limited to, circuses, carnivals, fairs, temporary construction, and the like.

Temporary service wherever practicable shall be furnished to Customers and prospective Customers upon request in accordance with the following instructions:

- A. Temporary service shall be furnished to a location that will later become a permanent location for a fee as established by Board action. All such services shall be three-wire.
- B. Where temporary service is requested in locations that will not later become a permanent location, the person requesting such service shall pay an amount equal to the estimated labor cost and non-salvageable material needed to install and remove such service. For the purpose of this section, temporary shall be interpreted as any period less than one year.
- C. All temporary services shall be metered and receive a monthly bill in the same manner as a permanent service.
- D. In the following case, temporary service shall be furnished the Customer at no cost to the Customer.
  - 1. Where the service wires and meter are temporarily removed from an existing service location for the purpose of construction.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 13**

**INSPECTION OF WIRING ON CUSTOMERS' PREMISES**

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

The Cooperative shall have the right, but shall not have the obligation, to inspect any installation before electricity is introduced or at any later time, and reserves the right to reject any wiring or appliances not in accordance with the Cooperative's standards; but such inspection or failure to inspect or reject shall not render the Cooperative liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of Cooperative's rules, or from accidents which may occur upon Customer's premises.

To safeguard property and lives, it shall be the policy of the Cooperative to require inspection of the electrical wiring on Customers' premises by an authorized inspector from the Tennessee Department of Commerce and Insurance; or any agency subsequently having the responsibility of such inspections.

Before furnishing new service to any Customer, such Customer shall be required to submit to the Cooperative a certificate of inspection containing no exceptions as to safe or adequate wiring. The responsibility of requesting and securing said certificate shall be that of the Customer.

The Cooperative may require a Customer to cause an inspection to be made by the Tennessee Department of Commerce and Insurance or any agency of government having the responsibility of such inspections under the following conditions:

1. Upon completion of a new wiring installation.
2. Change in the service entrance size.
3. Installation moved from one location to another.
4. Completion of upgraded wiring.
5. When service has been disconnected (an account has been without service) for one year or longer.
6. When hazardous conditions are reported to the Cooperative.

7. When the CEO/General Manager or any representative of the Cooperative believes that a condition which is hazardous to life and/or property exists on the Customer's premises.

If any inspection reveals a defect or inadequacy of wiring, the Cooperative reserves the right to inspect but shall not be obligated to inspect, to withhold or discontinue service from a Customer 30 days after the report of inspection has been given to the Customer.

The Cooperative also reserves the right to discontinue service immediately to any Customer at any time that proper inspection reveals a Customer's wiring to be hazardous to life or property.

All wiring shall meet the minimum requirements of the National Electric Code or any code or regulations adopted or promulgated by the State of Tennessee or any political subdivision thereof whichever is deemed more protective to the Customer and his premises in the sole discretion of the Cooperative.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 14**

**METER LOCATION**

The point of delivery is the point, as designated by Gibson Electric Membership Corporation, on Customer's premises where electric service is to be delivered to building or premises. All wiring and equipment beyond this point of delivery shall be provided and maintained by the Customer at no expense to the Cooperative.

It shall be the policy of the Cooperative to meter each Customer's use of electric energy at a location on his property agreed upon by himself/herself and the Cooperative's designated representative. Such location shall be as near the point desired by the Customer as practical engineering practices and economic building standards will permit.

This location should be agreed upon and marked before the Customer begins any wiring on his premises.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 15**

**POLE METERS**

No metering equipment owned by the Customer shall be installed on any pole owned by the Gibson Electric Membership Corporation.

If the Customer requests the addition of a pole for use as a meter pole, the Customer shall pay the installed cost of such pole.

If poles or other parts of the distribution system are changed or relocated, the Cooperative will bear the cost of such work to the extent of gross net revenue (the estimated annual revenue from the service less average power cost). The remaining cost not collected by net revenue shall be recovered through a monthly investment charge.

EFFECTIVE: 11/1/89

REVISED:

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 16**

**METER INSTALLATIONS AND RECONNECTIONS**

Meters shall be installed/connected during regular hours for a fee established by Board action. However, meters installed/connected after regular working hours will be installed/connected at an additional cost.

In the case of reinstallation or reconnection after termination for nonpayment, the charges due shall include the reconnect fee plus payment of past due amount and security deposit if applicable.

EFFECTIVE: 9/15/98

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 17**

**METER COMPLAINT TESTING**

The Cooperative will, at its own expense, make periodic tests and inspections of its meters in order to maintain a high standard of accuracy. The Cooperative will make additional tests or inspections of a meter at the request of a Customer. If such tests show that the meter tested is accurate within two per cent (2%) slow or fast, no adjustment will be made and the testing charge will be paid by the Customer. If the test shows meter to be in excess of two percent (2%) fast or slow, an adjustment shall be made in the Customer's bill and cost of making test shall be borne by Cooperative.

EFFECTIVE: 11/1/89

REVISED: 04/25/05



GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 18**

**ELECTRIC SERVICE TO SUBDIVISIONS**

Electric service facilities may be installed for residential use by Gibson Electric Membership Corporation, or persons employed or contracted with by the Cooperative, at the request of a Customer/Developer under the following terms and conditions:

I. General

- A. The developer shall provide Gibson EMC a copy of the subdivision plat which will be used in providing cost estimates. The plat shall be properly recorded at the court house and shall show 15' utility easements on each side of all streets and roadways. Estimates will not be provided for subdivisions that are not recorded or that do not contain utility easements. If additional easements are required they must be provided at no expense to Gibson EMC and must be properly recorded.
- B. Distribution line right-of-way shall be cleared to Gibson EMC's satisfaction of all buildings, trees and shrubs, or other obstructions. All property corner stakes must be in-place so that the distribution system can be properly engineered.
- C. Each phase of a subdivision will be designed and constructed as a whole unless written permission is provided by Gibson EMC to provide service incrementally. The complete subdivision layout must be provided so that the system can be properly engineered.
- D. Contribution-in-aid payment must be received by Gibson EMC prior to start of construction. Contribution-in-aid charges will be determined by the CEO/General Manager. The developer is responsible for any cost incurred by Gibson EMC due to changes to the subdivision plat after design of the distribution system.

II. Overhead Distribution Lines

- A. The required contribution-in-aid will be based on the length of the primary required to serve the subdivision and the street length and at a rate determined by the CEO/General Manager. If the developer builds an all-electric subdivision then the contribution-in-aid fees may be refunded or waived entirely.

B. It is required that all subdivisions have underground secondary and services.

III. Underground Distribution Lines

A. A contribution-in-aid payment must be received from the developer prior to any primary line extensions.

B. The contribution-in-aid charges will be based on the length of underground primary and the street length. A credit as determined by the CEO/General Manager may be applied for all electric subdivisions.

IV. Street lighting

A. Gibson EMC may furnish street lighting by underground circuit in subdivisions upon receipt of instructions from the governing body in the municipality in which the subdivision is located, together with a certified copy of the official action of said governing body to provide street lighting service in the section under development, under the terms and conditions of the contract between the Gibson EMC and Tennessee Valley Authority; provided, the subdivider or developer makes the required installation of the concrete mounting pedestal for the street lighting standards if applicable. All other street lighting equipment will be owned and maintained by Gibson EMC with the municipality paying the usual investment charges and energy charges used for such street lighting. Subdivisions requesting lighting without action from a municipal body shall be required to have a home owners association that will be responsible for payment of Contribution-in-aid and energy charges.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 19**

**OVERHEAD AND UNDERGROUND SERVICES AND LINE EXTENSIONS**

Generally, except as may be specifically noted otherwise below, Customers desiring underground service lines from Gibson Electric Membership Corporation's overhead system must bear the excess cost incident thereto. Specifications and terms for such construction will be furnished by the Cooperative on request. Wherever possible, service shall be provided to Customer locations in the areas we serve upon request.

A. Primary Line Extensions:

1. Line extensions to serve qualified residential Customers will be made along federal, state, or county highways to the property site at no cost to the customer. Qualified residential customers are private residences where the customer is connected to a permitted underground sewer system.
2. Line extensions for non-qualifying Customers, or when not along a federal, state, or county highway, will be constructed at Customer expense and may require a contribution-in-aid of construction charge.
3. For single new houses constructed along existing lines, the Customer shall be expected to pay the difference in cost, when applicable, between an overhead and underground primary construction. Underground service may be installed as outlined below.
4. The Customer shall provide a Right-of-Way (ROW) to Gibson EMC which is clear of any trees or other obstructions. The clear ROW must measure 15 feet each side of the proposed primary line. Species of trees, which will grow into the primary line requiring future trimming, shall be completely removed. In addition, aerial or underground easements as required in the Customer's membership agreement must be provided when required. If the Customer does not provide a clear ROW, Gibson EMC or its contractor may clear the ROW for the Customer, but the associated cost will be born by the Customer.

B. Services:

1. Overhead
  - a. A contribution-in-aid of construction charge may be required. The cost of the wire, poles, hardware and transformer, if applicable, will be included.

- b. The Customer is responsible for providing a clear ROW.
  2. Underground – The Customer is responsible for providing a conduit per Gibson EMC specifications from the meter base to the appropriate Gibson EMC appurtenance. Underground service to residences may be installed by Gibson EMC or its contractor under the following terms and conditions:
    - a. A contribution-in-aid of construction charge may be required. The cost of the wire, hardware and transformer, if applicable, may be included.
    - b. The President and CEO will determine, on a periodic basis, the cost per foot of running underground service versus overhead service. Customers will be charged for a minimum of 100 feet of service.
    - c. Where underground service is being installed, Gibson EMC will continue the underground cable (unbroken) to the meter base through the Customer’s conduit. Gibson EMC will own and maintain one service for each metering installation.
- C. Customer cost and contribution in aid amounts.
  1. The job cost of extending primary lines and providing service will be determined on the basis of the total cost to serve the Customer including transformers, wire, poles, other material, and labor. The cost to the Customer will be the job cost minus the estimated net revenue. Net revenue is defined as the estimated annual revenue from electric sales from the service less power cost using a time period determined by the President and CEO. For residential Customers, the anticipated gross net revenue will be calculated considering the size of the residence. For commercial and industrial Customers, the anticipated gross net revenue will be calculated on a case by case basis.
  2. The cost of underground service will be as determined in the underground service section of this policy and is in addition to the cost determined above.
  3. The cost of clearing ROW will be in addition to the cost determined above.
  4. Payment of the contribution may be made through a cash payment, monthly investment charge, or financed over a five-year period (60 months) at Gibson EMC’s cost of money. On a periodic basis the President and CEO shall determine the current cost of money, the minimum and maximum amounts that may be financed, and the minimum monthly payment amounts. Gibson

EMC reserves the right to require full payment by the Customer prior to beginning any construction.

EFFECTIVE: 11/1/89

REVISED: 10/17/96, 04/25/05, 03/21/13

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 20**

**RELOCATION OF LINES**

In cases where any part of the distribution system, other than the service entrance, is moved or changed at the request of a Customer and for the sole benefit of the Customer, a charge of 1/2 the total cost of making such a change shall be made to the person requesting such change.

If the State, County or City Government requests that any part of the distribution system be moved or changed, the requesting party may be charged an amount consistent with the existing State and Federal Laws, provided the President and CEO considers such charge advisable.

EFFECTIVE: 11/1/89

REVISED: 03/21/13

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 21**

**RELOCATION OF SERVICE ENTRANCE ON CUSTOMERS' PREMISES**

The point of service entrance on a Customer's premises may be changed at the request of or with the permission of the Customer when in the opinion of the Gibson Electric Membership Corporation's designated representative, such change is justified.

When the point of service entrance on a Customer's premises is changed at the request of the Customer and for the sole benefit of the Customer and such change requires the moving or addition of a pole, half the cost of the job shall be paid by the Customer.

The point of service entrance will be considered as changed when the meter is permanently moved:

1. From one place to another on the same building
2. From one building to another
3. From a building to a pole
4. From a pole to a building

The Cooperative may charge for removing the service wires and/or meter from a building for the purpose of remodeling or adding to the building, or removing an old building and constructing a new one. In the case of remodeling or adding to an existing building, the service entrance charge may be applied when the meter is returned to the building unless it is returned to its original location.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 22**

**OUTDOOR LIGHTING**

Gibson Electric Membership Corporation will at the request of the Customer, provide outdoor lighting, according to the guidelines and fees established by the Board of Trustees.

1. Should a pole be required for installation of the outdoor light, an installation charge plus an additional charge per month per pole will be added.
2. Any Customer wishing to exchange an outdoor light will be charged for removal and installation of the light.
3. Any Customer wishing to relocate an existing outdoor light within a premise will be charged for removal and installation of the light.
4. Any Customer wishing to have an outdoor light pole relocated within a premise will be charged a relocation fee.
5. Any Customer wishing to locate an outdoor light on property not owned by the customer must have written permission of the owner.

EFFECTIVE: 11/1/89

REVISED: 04/25/05



GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 23**

**LEVELIZED BILLING**

"Levelized Billing" is defined as a system whereby residential Customers must agree to pay an average monthly bill which is determined by averaging the dollars paid for the current month's electric usage with the previous 11 months usage, and adding 1/12 of the amount unbilled (ARREARS).

The purpose of the levelized billing program is to provide as many Cooperative Customers as practicable with a method of paying monthly electric bills in approximately equal amounts and eliminate wide seasonal swings

The program will be made available to all residential Customers. All Customers who wish to participate in the levelized billing program will be required to contact the Cooperative and sign a participation agreement.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 24**

**SALE OF SCRAP, SURPLUS, OR OBSOLETE EQUIPMENT**

It shall be the policy of Gibson Electric Membership Corp. to offer for sale only items that have been declared scrap, surplus, or obsolete. Items of stores equipment that are regularly carried in the stock record are not to be sold except in the case of an emergency when the sale of an item, which is not readily available from other sources, would prevent the hardship of a Customer.

The CEO/General Manager or his designated representative shall be responsible for the administration of this policy.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 25**

**SERVICE TO ENTERTAINMENT GROUPS**

It shall be the policy of Gibson Electric Membership Corporation that before it serves a temporary connection to a Customer which will redistribute power to its own equipment, devices and installations either enclosed or unenclosed, to which the general public will be invited, whether or not for a charge, said Customer shall present a Certificate of Inspection from the Department of Commerce and Insurance and execute an agreement to indemnify Gibson Electric Membership Corporation against any damages to property or injuries to persons resulting from the operation of any such equipment, installations or devices and deliver a certificate of insurance from some reliable insurance company insuring said Customer for general liability, in limits not less than \$1,000,000 for each occurrence and \$3,000,000 aggregate with Gibson Electric Membership Corporation named as an additional insured.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 26**

**ADDITIONAL LOAD**

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

When changes in load are anticipated, the Customer shall notify Gibson EMC at the earliest possible time. Any changes to Gibson EMC's service and any cost, if any, to the Customer, must be paid prior to work being started.

EFFECTIVE: 11/1/89

REVISED: 03/21/13

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 27**

**SEASONAL SERVICE RATE**

Preseason testing of equipment without a demand charge will be allowed once a year, but only during off peak periods, as defined by Gibson Electric Membership Corporation at the time of the request. Preseason testing must be scheduled in advance. Kilowatt-hours used during testing will be billed along with those used during the first month of unrestricted use.

A request for the proration of bills for periods of less than a month will be approved for the first or last billing period of a season. The choice of which bill to prorate is the Customer's, and can be made up until the time Gibson EMC would normally calculate the last bill of the season. If the Customer chooses the first bill and determines later that it would be advantageous to switch to the last bill, the appropriate adjustments will be made to accommodate the change. Likewise, if a Customer delays requesting a prorated bill until the final bill and determines that it would have been advantageous to have had the first bill prorated, the appropriate adjustment will be made to accommodate the change.

A request to operate equipment for after season cleanup with no demand charge will be granted once a year, but only during off peak periods, as defined by Gibson EMC. This also must be scheduled prior to operating. Kilowatt hours used during this period will be billed on Gibson EMC's next billing cycle. A connect/disconnect fee will be charged.

A minimum bill, consisting of the "Customer charge" in the general power rate schedule will apply to all seasonal Customers for any month service is provided to the Customer at his request. The minimum bill may be increased by an amount provided for in a contract between Gibson EMC and the Customer. In no case will the minimum bill be less than Gibson EMC's estimate of the cost of wholesale power associated with the losses of the energized transformer bank serving the Customer, plus the cost of the capital investment on the transformer bank and associated equipment serving the Customer.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 28**

**BILLING ADJUSTED TO STANDARD PERIODS**

The demand charges and the blocks in the energy charges set forth in the rate schedules are based on billing periods of approximately one month. In the case of the first billing of new accounts and the final billings of all accounts (temporary service excepted) where the period covered by the billing involves fractions of a month, the demand charges will be adjusted to a basis proportionate with the period of time during which service is extended.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 29**

**NON-STANDARD SERVICE**

The Customer shall pay the cost of any special installation necessary to met his peculiar requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.

When a Customer requires a deviation from Gibson Electric Membership Corporation's standards, such as non-standard voltage, alternate circuits, special regulation, etc., the deviation must receive the written approval of Gibson EMC.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 30**

**CUSTOMER'S CHARGE FOR ALTERNATE CIRCUIT  
AND STANDBY SERVICE**

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

When a Customer requires an alternate circuit or other system which provides stand-by or reserved capacity in Gibson EMC's electric distribution facilities, the Customer will pay Gibson EMC a monthly investment charge per KVA capacity.

The exact charge will be established at the time the service is requested by the Customer. The contract for the standby service shall be an amendment to the Industrial Power Contract and the terms shall run concurrently. The investment charge is subject to change at the end of each contract term.

EFFECTIVE: 11/1/89

REVISED: 04/25/05



GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 31**

**CONNECTED LOAD LIMITATIONS**

A. Single-Phase Load Limitations

No motor above 10 horsepower will be allowed on single-phase service unless prior written approval is obtained from Gibson Electric Membership Corporation.

No single-phase load above 50 KW will be served unless prior written approval is obtained from Gibson Electric Membership Corporation.

B. Three-Phase Load Limitations

Written approval must be obtained from Gibson Electric Membership Corporation prior to the installation of all electric furnaces of 50 KW and larger and three-phase motors of 40 horsepower and larger.

C. Irrigation Systems

1. Single Phase Installations

Systems with a motor larger than 10 horsepower will require an engineering analysis to determine the effect on the distribution system. Systems are limited to a 40 horsepower maximum motor size and to 50 KW total. All motors larger than 10 horsepower will require a Variable Frequency Drive or a soft start and the engineering analysis must confirm that flicker on the primary distribution system is maintained at 2.0% or less. The customer may choose to be served at either 120/240 V or 240/480 V and the meter base required for installation will be provided by Gibson Electric Membership Corporation.

2. Three Phase Installations

Systems with a motor of 40 horsepower and larger will require an engineering analysis. A Variable Frequency Drive or soft start must be provided to maintain the flicker on the primary distribution system at 2.0% or below. The meter base will be provided by Gibson Electric Membership Corporation.

EFFECTIVE: 11/1/89

REVISED: 04/25/05, 11/26/12

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 32**

**VOLTAGE FLUCTUATIONS CAUSED BY CUSTOMER**

Electric service must not be used by Customers in such a manner as to cause unusual fluctuations or disturbances to Gibson Electric Membership Corporation's system. Gibson EMC may require the Customer at his own expense to install suitable apparatus that will reasonably limit such fluctuations.

Any changes Gibson EMC may make to its distribution system to prevent unusual fluctuations caused by the Customer's utilization of electric service must be paid for on a cash non-refundable basis by the Customer causing the fluctuation. Single-phase welders, large motors and some furnaces are examples of equipment which create disturbances to Gibson EMC's system.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 33**

**DAMAGE OF COOPERATIVE PROPERTY**

All meters, service connections, and other equipment furnished by the Cooperative shall be, and remain, the property of the Cooperative. The Customer shall provide a space for and exercise proper care to protect the property of the Cooperative on its premises, and, in the event of loss or damage to the Cooperative's property arising from neglect of the Customer to care for same, the cost of the necessary repairs or replacements shall be paid by Customer.

Persons or firms damaging Cooperative property shall be billed for all expenses involved in correcting said damage.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 34**

**LIABILITY FOR DAMAGES DUE TO INTERRUPTIONS  
OR RESUMPTION OF SERVICE**

When Gibson Electric Membership Corporation deems it necessary for the protection of the supply of electrical energy or for the protection of Gibson EMC's system or personnel, the supply of electrical energy may be immediately discontinued in whole or in part. All electrical energy sold to Customers is subject to interruption, discontinuance or curtailment by Gibson EMC, regardless of priority observance, when an emergency exists or is imminent, justifying such interruption, discontinuance or curtailment.

Gibson EMC will use reasonable diligence in supplying electric service, but shall not be liable for breach of contract in the event of, or for loss, injury or damage to persons or property resulting from, interruptions in service, excessive or inadequate voltage, single-phasing, or otherwise unsatisfactory service, whether or not caused by negligence.

Gibson EMC shall endeavor to furnish continuous electric service, but Gibson EMC shall not be liable in damages or otherwise for any interruptions or resumptions of service whatsoever. Such interruptions of service shall include but not be limited to a reduction of Gibson EMC's electric energy by its supplier thereof or by rules and regulations promulgated by a duly authorized federal, state or local governmental agency. If practical, Gibson EMC will notify the Customer in advance of its intention to make total or partial discontinuance. If such notice is received by the Customer, he/she shall immediately turn off the electrical energy furnished him. Service shall not be resumed by the Customer after any interruption until the Customer has obtained permission from Gibson EMC. Service shall be resumed as soon as possible after the causes of the interruption have been removed.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 35**

**RESPONSIBILITY FOR SERVICE FAILURES DUE  
TO FORCE MAJEURE**

A. Gibson EMC's Responsibility

Gibson Electric Membership Corporation will not be responsible for any failure, shortage, or interruption of electrical energy due to Force Majeure. Force Majeure shall mean act of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accidents to electric transmission or distribution lines, the necessity for making repairs or alterations in machinery or transmission or distribution lines or any other cause, whether of the kind herein enumerated or not, not within the control of Gibson EMC and which, by the exercise of reasonable care, Gibson EMC is unable to prevent or overcome and whether occurring on Gibson EMC's distribution system or on the transmission lines by which electrical energy is delivered to Gibson EMC. When Force Majeure occurs on Gibson EMC's system and the shortage or interruption of delivery of electrical energy due to the Force Majeure is for a period of seventy-two (72) hours or longer, Gibson EMC will prorate the demand charge and/or minimum bill for that part of the billing period in which delivery of electrical energy was not affected by Force Majeure, but in no case shall the demand charge be less than the unprorated demand charge that the Customer would pay for the demand occurring at the time of Gibson EMC's simultaneous monthly system peak demand.

B. Customer's Responsibility

The Customer will not be responsible as a result of the application of Force Majeure that is not within the control of the Customer and which, by the exercise of reasonable care, the Customer is unable to prevent or overcome, provided further nothing contained herein shall release the Customer from any minimum bill requirement other than those occasioned by the inability to Gibson EMC to deliver; provided further, that when the causes or contingencies cease to be operative, Gibson EMC shall resume delivery and customer shall resume taking electrical energy. When Force Majeure occurs on Customer's system and the shortage or interruption of delivery of electrical energy due to the Force Majeure is for a period of seventy-two (72) hours or longer, Gibson EMC will prorate the demand charge for that part of the billing period in which delivery of electrical energy was not affected by Force Majeure; but in no case shall the demand charge

be less than the unprorated demand charge that the Customer would pay for the demand occurring at the time of Gibson EMC's simultaneous monthly system peak demand.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 36**

**CUSTOMER'S DECISION TO DISCONTINUE SERVICE**

A. Residential

Residential Customers who wish to discontinue service must notify the Cooperative when the customer desires service to be disconnected.

B. Commercial

Commercial Customers who wish to discontinue service must fulfill their contract obligations. Notice to discontinue service prior to the expiration of the contract term will not relieve the Customer from any minimum or guaranteed payment under any contract or rate schedule.

C. Industrial

Industrial Customers who wish to discontinue service must give at least three (3) months notice to that effect unless the contract specifies otherwise. Notice to discontinue service prior to the expiration of the contract term will not relieve the Customer from any minimum or guaranteed payment under any contract or rate schedule.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 37**

**GIBSON ELECTRIC MEMBERSHIP CORPORATION'S  
RIGHT TO REFUSE OR DISCONTINUE SERVICE**

Gibson Electric Membership Corporation may refuse to connect or may discontinue service for the violation of any of its bylaws or policies, or for violation of any of the provisions of the Schedule of Rates and Charges, or contract with the Customer. Cooperative may discontinue service to the Customer for the theft of current or the appearance of current theft devices on the premises of the Customer. The discontinuance of service by the Cooperative for any causes as stated in this rule does not release the Customer from his obligation to the Cooperative for the payment of minimum bills as specified in application of the Customer or contract with the Customer.

Gibson EMC reserves the right to discontinue or refuse to reconnect service to a Customer for sufficient cause including but not limited to the following:

1. The furnishing of service would be detrimental to the safe and continued operation of the distribution system or to the adequacy of supply to existing Customers.
2. The furnishing of service could present an unsafe or hazardous condition to any person or property.
3. Customer has not complied with all applicable policies of Gibson EMC and all applicable codes or ordinances.
4. Any component of the wiring of the load side of the meter, including connected appliances and devices, is not properly installed, of improper or inadequate design or capacity, or is such that unsatisfactory operation of any component, appliance, or device is likely.
5. The furnishing of service would require the uneconomical operation of the existing distribution system.
6. The Customer has attempted to tamper with or interfere with the proper operation of any item of Gibson EMC's equipment, such as meters.
7. Delinquency in payment of bills or other obligations to Gibson EMC.



8. Gibson EMC's meter or equipment is not accessible to the employees, agents, or independent contractors.
9. Gibson EMC is instructed to discontinue service by the Fire Department(s) or other agency having authority or jurisdiction.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 38**

**AUTHORITY TO SIGN COMMUNICATIONS**

The Cooperative CEO/General Manager is authorized to sign all communications in the name of the Cooperative by himself as CEO/General Manager except those that by law, the charter of the Cooperative, and the by-laws require an official of the Cooperative to sign. He/she may delegate to Vice Presidents the authority to sign communications as he/she deems appropriate.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 39**

**GENERAL AND OPERATING FUNDS**

General and/or operating funds shall be kept in any or all approved depositories, but the maximum amount shall not greatly exceed insured levels in any depository, except banks who collateralize deposits of Cooperatives.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 40**

**DEPOSITORIES, SELECTION AND APPROVAL OF**

The CEO/General Manager is authorized to select the local depositories or banks, which must be Customers of the Federal Deposit Insurance Corporation, wherein the funds of the Cooperative are to be kept. These depositories are to be approved by the Board of Trustees.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 41**

**RECORDS**

All general records of the Gibson Electric Membership Corporation shall be kept according to the recommendations of the Rural Utilities Service and Tennessee Valley Authority, and in compliance with Federal Energy Regulatory Commission (FERC) regulations. Such records shall be kept for a period of time consistent with good operating practice and the recommendation of the above agencies. Such records shall be stored in a secure environment with access granted to authorized employees only. When it is deemed necessary, obsolete records shall be destroyed upon authorization of the President and CEO or the Vice President of Accounting and Finance. A record of documents destroyed will be maintained by the Vice President of Accounting and Finance.

EFFECTIVE: 11/1/89

REVISED: 04/25/05: 10/27/08

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 42**

**AUDIT OF COOPERATIVE'S RECORDS**

In accordance with Rural Utilities Service instructions, the Gibson Electric Membership Corporation shall employ a recognized Certified Public Accountant or firm, who must be approved by Rural Utilities Service and the Board of Trustees, to make an annual audit of the books and affairs of the Cooperative for each fiscal year ending December 31.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 43**

**BONDS AND INSURANCE**

Gibson Electric Membership Corp. shall maintain fidelity insurance coverage for such trustees, employees, or employees acting on behalf of the Cooperative in their official capacity; worker's compensation insurance; and indemnity insurance for public liability; casualty insurance of real and personal property; and any other coverages in the amounts as determined by resolution of the Board of Trustees.

EFFECTIVE: 11/1/89

REVISED: 04/25/05

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 44**

**MEMBER APPEARANCE AT BOARD MEETINGS**

The objective of this policy is to provide for the orderly attendance of a member to have a hearing before the Board of Trustees at its regular scheduled monthly meetings.

A member who has a question, problem or grievance will first attempt to resolve the matter with the appropriate Vice President.

Should the matter not be resolved with the Vice President, the member may submit the problem in the form of a letter to the President and CEO. The President and CEO will attempt to resolve the problem without Board action.

If the President and CEO does not resolve the matter and such member still desires to appear before the Board of Trustees, the President and CEO shall forward the written request to the Board of Trustees.

At its next regularly scheduled meeting, the Board of Trustees shall determine if it shall extend an invitation to the member to appear before the Board of Trustees. If an invitation is extended, the Board will set a date, time and place when the member may appear before the Board of Trustees to present or discuss the matters detailed in the written letter.

The President and CEO or his designee shall promptly advise the requesting party in writing of the date, time and place for the member to appear before the Board.

Any appearance before the Board will be limited to five minutes and to consideration and presentation of the specific matters which the requesting party set forth in writing to the President and CEO. If more than one member requests to appear before the Board of Trustees in connection with the same subject, the Board of Trustees may limit the maximum number of those who may appear to a number less than the total number joined in the request. Members appearing before the Board shall address remarks to the Board as a whole and may direct questions to individual Board members or staff members only upon approval of the Chairman of the Board.

Where the subject is or may be a matter of grievance or controversy, the hearings before the Board may be recorded on tape.

EFFECTIVE: 02/28/08



GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 45**

**IDENTITY THEFT PREVENTION POLICY**

**I. POLICY SUMMARY**

It shall be the policy of Gibson Electric Membership Corporation (Gibson EMC) to maintain an Identity Theft Prevention Policy (“Policy”) that takes all reasonable steps to identify, detect, and prevent the theft of its members’ personal information. Gibson EMC hereby adopts the following Policy for: (1) identifying and detecting Red Flags; (2) responding to Red Flags; and (3) preventing and mitigating Identity Theft.

Pursuant to the federal regulation, this Policy (1) identifies relevant Red Flags for the covered accounts that Gibson EMC offers or maintains, and incorporates those Red Flags into its Policy; (2) detects Red Flags that have been incorporated into the Policy; (3) responds to any Red Flags that are detected to prevent and mitigate identity theft; and (4) ensures the Policy is updated periodically, to reflect changes in risks to members.

**II. POLICY RATIONALE**

Under federal law and regulations, Gibson EMC must implement a policy and procedure in accordance with the Federal Trade Commission (“FTC”) and the Fair Credit and Reporting Act (“FCRA”). This Policy must be implemented no later than November 1, 2008. The federal regulation, the FTC’s Identity Theft Red Flags Regulation, creating the obligation to implement and maintain the Policy can be located at 16 C.F.R. § 681.2 *et seq.*

**III. DEFINITIONS**

The term “Identifying Information” means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including name, Social Security Number, date of birth, official government-issued driver’s license or identification number, alien registration number, government passport number, taxpayer identification number, or address.

The term “Covered Accounts” means accounts that are used primarily for personal, family, household or business purposes that involve or are designed to permit multiple payments or transactions; any customer account for which there is a reasonably foreseeable risk of identity theft.

The term “Identity Theft” means a fraud committed or attempted using the Identifying Information of another person without authority.

The term “Red Flag” means a pattern, practice or specific activity that indicates the possible existence of Identity Theft.

The term “Service Provider” means a third party contractor that provides a service directly to Gibson EMC.

#### **IV. IDENTIFICATION OF ACCOUNTS SUBJECT TO RED FLAG POLICY**

Gibson EMC maintains the following accounts which may be classified as Covered Accounts and therefore covered by the Policy.

- A. Gibson EMC has accounts for its members that allow the members to pay for service after it has been rendered. Bills are sent and payments are due on a monthly basis.
- B. Gibson EMC offers a form of credit by providing its members with the option to pay for line extension costs, outdoor lights and certain other services over time as a part of the member’s monthly bill.
- C. Gibson EMC maintains deposits as a part of its member accounts, when required for new service.
- D. Gibson EMC offers a form of credit by providing its members with the option to pay for heat pumps and their installation over time as a part of the member’s monthly bill.

These accounts are all covered by this Red Flag Policy. Gibson EMC does not offer banking or financial services.

#### **V. IDENTIFICATION OF POTENTIAL RED FLAGS**

- A. **Risk Factors.** In identifying potential Red Flags associated with the accounts that Gibson EMC maintains, Gibson EMC’s Board of Trustees and management have considered the following Identity Theft risk factors:
  - 1. **Types of Covered Accounts.** Gibson EMC is an electric cooperative serving an eight county service area in West Tennessee, providing its members with electric utility service. Gibson EMC has 2,858 miles of electric lines and 34,680 meters in Crockett, Dyer, Gibson, Haywood, Lake, Lauderdale, Madison and Obion counties.

- (a) *Payments for Electric Services Rendered.* Payments from members for services rendered are due within fifteen (15) days from the date the bill is produced. (Gibson EMC Customer Service Policy No. 9) Gibson EMC does not regularly provide credit to its members beyond this revolving, monthly account for electric service. Such service is delivered to a fixed physical location known to Gibson EMC. As a result, there is a low risk of misuse of Identifying Information to perpetrate fraud on the cooperative for utility services rendered. However, Identifying Information maintained by Gibson EMC could be used to perpetrate Identity Theft and defraud other businesses if the information were wrongfully altered or disclosed.
  
- (b) *Payments for Line Extensions, Outdoor Lights and Other Services.* For some of these services, members may have the option of paying the costs over time through their electric bills. These services are provided to a fixed physical location known to Gibson EMC. As a result, there is a low risk of misuse of Identifying Information to perpetrate fraud on the cooperative for these services that are paid for over time. However, Identifying Information maintained by Gibson EMC could be used to perpetrate Identity Theft and defraud other businesses if the information were wrongfully altered or disclosed.
  
- (c) *Deposits.* For all new members, deposits are required prior to the initiation of service. (Gibson EMC Customer Service Policy No. 8) These amounts are held under the terms and conditions of the membership agreement and will be applied as a credit to the member's account. If a member discontinues their service, any deposit on the account is applied to the final bill, possibly resulting in a balance due to the former member. There is some risk that a member who is a victim of Identity Theft could have this balance refunded to an identity thief. Additionally, Identifying Information maintained by Gibson EMC could be used to perpetrate Identity Theft and defraud other businesses if the information were wrongfully altered or disclosed.
  
- (d) *Membership Fees.* Gibson EMC requires the payment of a membership fee upon application for membership in the cooperative. (Gibson EMC Customer Service Policy No. 7) The membership fee is held by Gibson EMC under the terms and conditions of the membership agreement and will be refunded to the member upon termination of the membership.

There is some risk that a member who is a victim of Identity Theft could have the membership fee refunded to an identity thief. Additionally, Identifying Information maintained by Gibson businesses if the information were wrongfully altered or disclosed,

- (e) *Heat Pump Financing.* A full credit report from a Service Provider and property ownership verification is obtained for all applicants. As a result, there is a low risk of misuse of Identifying Information to perpetrate fraud on the cooperative for these services that are paid for over time. However, Identifying Information maintained by Gibson EMC could be used to perpetrate Identity Theft and defraud other businesses if the information were wrongfully altered or disclosed.

2. **Methods for Opening Accounts.** Prospective members of Gibson EMC who wish to receive utility service submit a membership application with the following information:

- (a) Customer name and contact information, including service and mailing addresses, and telephone numbers.
- (b) Two forms of government-issued identification, at least one of which must include a photograph. (Social Security Number, official government-issued driver's license or identification number, alien registration number, government passport number, taxpayer identification number) Service requested via telephone must fax in copies of identification.
- (c) Requested start date of service.
- (d) Service requested via telephone or internet must also provide previous address information.

Identity verification is conducted through a Service Provider on all new memberships.

3. **Methods for Accessing Accounts.** Gibson EMC allows access to information related to customer accounts using the following methods:

- (a) Customer may do so in person at any Gibson EMC office with a government-issued picture identification.
- (b) Customer may do so over the telephone after providing Gibson EMC's Customer Service Representative the last four digits of

the government issued identification number on the account, or secure password.

- (c) Customer may do so over the Internet using a secure password.
- (d) Gibson EMC employee may do so when granted access by senior management.

Appropriate documentation is required to change a membership name or change the government issued identification number on the account.

**4. Previous Experience with Identity Theft.** To the best of its knowledge, Gibson EMC is not aware of any identity theft due to a security breach of, or unauthorized access to, its systems that are used to store members' Identifying Information. Gibson EMC believes that part of the reason for this historical absence of Identity Theft of its members' information is due to:

- (a) Limited services and credit provided to its members, both of which relate to a fixed physical location.
- (b) Familiarity of Gibson EMC employees with the members who are served.
- (c) Gibson EMC's policies for securing members' personal information.

**B. Sources of Red Flags.** In identifying potential Red Flags associated with the accounts that Gibson EMC maintains, Gibson EMC's Board of Trustees and management have considered the following sources of Red Flags for Identity Theft:

**1. Past Incidents of Identity Theft.** As described in Section V.A.4 above, Gibson EMC is not aware of any past incidents of Identity Theft due to a security breach of, or unauthorized access to, its systems and files that are used to store members' Identifying Information collected by the cooperative. In the event of incidents of Identity Theft in the future, such incidents shall be used to identify additional Red Flags and this Policy will be amended accordingly.

**2. Identified Changes in Identity Theft Risk.** As provided in Section VIII below, Gibson EMC will review at least annually this Policy, Gibson EMC's operations, and Gibson EMC's experience with Identity Theft for changes in the risk of Identity Theft.

3. **Applicable Supervisory Guidance.** In addition to considering the guidelines initially published with the FTC's Identity Theft Red Flags Regulation, as a part of its annual review, Gibson EMC will review additional regulatory guidance from the FTC and other consumer protection authorities. This review shall focus on new Identity Theft risks and recommended practices for identifying, detecting, and preventing Identity Theft.

C. **Categories of Red Flags.** In identifying potential Red Flags associated with the accounts that Gibson EMC maintains, Gibson EMC's Board of Trustees and management have considered the following categories of Red Flags for Identity Theft, and will take the following actions upon discovering such Red Flags:

1. **Alerts, Notifications, and Warnings.** Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services, can be Red Flags for Identity Theft. Such alerts, notifications and warnings include:

- (a) A Service Provider provides a notice of fraud or active duty.
- (b) A Service Provider provides a notice of credit freeze.
- (c) A Service Provider provides a notice of address discrepancy.
- (d) A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or member, such as:
  - i A recent and significant increase in the volume of inquiries.
  - ii An unusual number of recently established credit relationships.
  - iii A material change in the use of credit, especially with respect to recently established credit relationships.
  - iv An account that was closed for cause or identified for abuse of account privileges.

**Required Response:** Gibson EMC may receive consumer reports that might alert it to potential Identity Theft related to a member. If Gibson EMC does request and receive a consumer report and that report indicates an information discrepancy, it shall be the policy of Gibson EMC to report any such information to management for further review and verification of the potential member's information, including

verifying identification in person at the utility's offices. Application will not be processed until discrepancies are cleared.

2. **Suspicious Documents.** The presentation of suspicious documents can be a Red Flag for Identity Theft. Presentation of suspicious documents includes:

- (a) Documents provided for identification that appear to have been altered or forged.
- (b) The photograph or physical description on the identification is not consistent with the appearance of the applicant or member presenting the identification.
- (c) Other information on the identification is not consistent with information provided by the person opening a new account or member presenting the identification.
- (d) Other information on the identification is not consistent with readily accessible information that is on file with Gibson EMC, such as a membership application.
- (e) An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

**Required Response:** Gibson EMC personnel shall report to management when it appears that account documents have been altered or forged when compared to other documents in a member's file. It shall also be brought to a supervisor's attention immediately if any member presents an invalid identification, or identification that appears forged for the purpose of obtaining access to account information. Applications for new service will not be processed until discrepancies are cleared.

3. **Suspicious Personal Identifying Information.** The presentation of suspicious personal Identifying Information, such as a suspicious address change, can be a Red Flag for Identity Theft. Presentation of suspicious personal Identifying Information occurs when:

- (a) Personal Identifying Information provided is inconsistent when compared against external information sources used by Gibson EMC. For example:
  - i. The address does not match any address in the consumer report.

- ii. The Social Security Number has not been issued, or is listed on the Social Security Administration's Death Master File.
- (b) Personal Identifying Information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by Gibson EMC.
- (c) Personal Identifying Information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by Gibson EMC. For example:
  - i. The address on an application is fictitious, a mail drop, or a prison.
  - ii. The phone number is invalid, or is associated with a pager or answering service.
- (d) The government issued identification number provided is the same as that submitted by other persons opening an account or other members.
- (e) The person opening the account or the member fails to provide all required personal Identifying Information on an application or in response to notification that the application is incomplete.
- (f) Personal Identifying Information provided is not consistent with personal Identifying Information that is on file with Gibson EMC.

Required Response: Gibson EMC shall provide members access to their account information in person at the utility's offices only after verifying the member's identity through government-issued photo identification. Member account information may be accessed over the telephone after providing Gibson EMC the last four digits of the government issued identification number on the account, or secure password. Gibson EMC employees shall be trained to make note on a member's account when there is a lack of correlation between information provided by a member and information contained on the account for the purposes of gaining access to account information. Gibson EMC will not provide account information without first clearing any discrepancies in the information provided. Information concerning a customer account will be given to the account holder only. Applications for new service will not be processed until discrepancies are cleared.



4. **Suspicious Activity.** The unusual use of, or other suspicious activity related to, a member account is also a Red Flag for potential Identity Theft. Suspicious activities include:

- (a) A request is made to add authorized users to the account.
- (b) Mail sent to the member is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the member's account.
- (c) Gibson EMC is notified that the member is not receiving paper account statements, and account is not set up for electronic billing.
- (d) Gibson EMC is notified of unauthorized charges or transactions in connection with the member's account.
- (e) A member requests a refund check before account is disconnected.
- (f) A member requests a refund check be made payable to someone else.
- (g) A member requests that Gibson EMC provide the member with personal Identifying Information from the cooperative's records.
- (h) An existing account with stable history shows irregularities.

Refund checks for deposits are not issued. Deposit amounts will be applied as a credit to the customer's account.

**Required Response:** Gibson EMC employees shall be trained to note unusual use of accounts, or suspicious activities related to accounts and verify the identity of members in such circumstances. It shall further be the policy of Gibson EMC to not provide Identifying Information to members, either verbally or in writing, even when members are asking for their own information. Gibson EMC employees shall immediately notify management, who will conduct further reasonable inquiry, when a member requests such information. It shall be the policy of Gibson EMC to train its employees to look for unusual activity when reviewing member accounts for service.

5. **Notices.** Notices of potential Identity Theft are also serious Red Flags, including:

- (a) Notice from a member of unauthorized charges in connection with that member's account.
- (b) Notice from members, law enforcement authorities, or other persons indicating that a member has been a victim of Identity Theft;
- (c) Notice to the cooperative that a member has provided information to someone fraudulently claiming to represent the cooperative;
- (d) Notice to the cooperative that a fraudulent website that appears similar to the cooperative's website is being used to solicit member personal Identifying Information;

**Required Response:** Upon notice from a member, law enforcement authority, or other persons that one of its members may be a victim of Identity Theft, Gibson EMC shall contact the member directly in order to determine what steps may be necessary to protect any member information in the possession of Gibson EMC. Such steps may include, but not be limited to, setting up a new account for the member with additional Identifying Information that may be identified only by the member in order to protect the integrity of the member's account, notifying members or law enforcement of an on-going attempt to perpetrate a fraud on the membership, and complying with all applicable provisions of the FCRA.

6. **Other Red Flags.** There are additional activities that may be a Red Flag for Identity Theft. These Red Flags include, but are not limited to:

- (a) The name of an employee of Gibson EMC has been added as an authorized user on an account.
- (b) Gibson EMC detects, or is informed of, unauthorized access to a member's personal information.

## VI. DETECTING RED FLAGS

- A. It shall be the policy of Gibson EMC to obtain Identifying Information about, and verify the identity of, a person opening an account.

Information required to open an account is listed in Section V.A.2 of this document. It shall be the policy of Gibson EMC not to provide Identifying Information to members, either verbally or in writing, even when a member is asking for their own information.

- B. It shall be the policy of Gibson EMC to authenticate members and customers, monitor transactions, and verify the validity of change of address requests, in the case of existing accounts.

## **VII. PREVENTING AND MITIGATING IDENTIFY THEFT**

- A. If Gibson EMC discovers that any of its members have become victims of Identity Theft, the cooperative shall take appropriate steps to mitigate the impacts of such Identity Theft. These steps may include, but are not limited to:
  - 1. Monitoring an account for evidence of Identity Theft;
  - 2. Contacting the member;
  - 3. Changing any passwords, security codes, or other security devices that permit access to an account;
  - 4. Reopening an account with a new account number
  - 5. Closing an existing account;
  - 6. Not attempting to collect on an account or not selling a covering account to a debt collector;
  - 7. Notifying law enforcement;
  - 8. Determining that no response is warranted under the particular circumstances.
- B. Gibson EMC has a business relationship with the following Service Providers performing the described activities:
  - 1. SEDC – Southeastern Data Cooperative, Inc. – consumer accounting, electronic billing and payment services.
  - 2. Online Information Services – provides identity verification for new accounts, and provides credit checks for potential heat pump loans.

3. Heath Consultants – provides service to physically connect/disconnect meters.
4. Banks accepting customer bill payments:
  - (a) Bank of Crockett
  - (b) Clayton Bank & Trust
  - (c) Farmers & Merchants Bank – Dyer
  - (d) Farmers & Merchants Bank – Rutherford
  - (e) First Citizens Bank
  - (f) First State Bank
  - (g) Medina Banking
  - (h) Merchants & Farmers Bank
  - (i) Security Bank

Under this business relationship, the Service Providers have access to member Identifying Information covered under this Policy. Gibson EMC shall ensure that the Service Provider's work for the cooperative is consistent with this policy by (a) amending the contract to incorporate these requirements; or (b) by determining that the Service Provider has reasonable alternative safeguards that provide the same or a greater level of protection for member information as provided by the cooperative.

## **VIII. POLICY UPDATES AND ADMINISTRATION**

- A. The Privacy Committee consisting of Vice President of Accounting and Finance acting as Privacy Officer, Vice President of Customer Care, Vice President of Human Resources and Communications and Database Coordinator, shall meet semi-annually to determine whether Gibson EMC has experienced any Identity Theft of its members' accounts; whether changes in the methods of Identity Theft, the types of accounts Gibson EMC offers or maintains, or its business arrangements (through mergers, acquisitions, alliances, joint ventures, and service provider arrangements) require updates to this Policy; and whether changes are necessary to detect, prevent, and mitigate Identity Theft. The Privacy Committee will continue to monitor changes in methods of Identity Theft, and re-evaluate this Policy in light of those changes.

B. Administration of this Policy shall be as follows:

1. The Board of Trustees has adopted this Policy and will have ultimate authority over this Policy, but the Policy shall be managed by the Privacy Officer. This position shall have authority to delegate oversight and compliance to other individuals at the senior level management level. This position shall be responsible for training and reviewing staff and Privacy Committee reports regarding compliance with the utility's Policy.
2. Potential changes to the Policy shall be reviewed at least annually by Gibson EMC's management. Material changes to the Policy that may be needed prior to the meeting described herein shall be brought to the Privacy Officer's attention, and reviewed by management and the Board of Trustees if deemed necessary by the Privacy Officer.
3. Reports.
  - (a) The Privacy Committee shall prepare a report, annually, regarding the implementation and progress of the utility's Policy for review by the Board of Trustees
  - (b) The above-described report prepared by the Privacy Committee shall include a discussion of: the progress of implementing and the effectiveness of the Policy; ongoing risk level of Identity Theft of member information; potential changes to the Policy and other operation practices of the utility to further the goal of protecting member's personal information; and, identification and discussion of instances of Identity Theft of the cooperative's members.
  - (c) Gibson EMC shall keep records of meetings regarding this Policy showing the dates and topics discussed. Gibson EMC shall also maintain a file with copies of past annual reports prepared under the Policy.

Effective: 11/1/2008

Revised:

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 46**

**INTERCONNECTION PROCEDURES FOR DISTRIBUTED GENERATION**

**1. GENERAL PROCEDURES & STANDARDS**

**1.1. Scope**

These procedures describe the steps Interconnection customers (herein after called customer) must follow in order for their distributed generation (DG) equipment to be evaluated and approved for interconnection to Gibson Electric Membership Corporation (GEMC) distribution system for parallel operation. To assure that the DG equipment does not cause significant degradation of the safety, power quality, or reliability to GEMC's distribution system, these procedures and standards have been established.

Requirements for interconnection will be based on the size of the system and are defined in the following categories:

Tier 1 – 1 MW or less; or

Tier 2 – Greater than 1 MW and less than 20 MW; or

Tier 3 – Greater than or equal to 20 MW

GEMC has an all requirements contract to purchase its total electric power requirements from the Tennessee Valley Authority (TVA). Therefore, GEMC can not purchase any portion of the output of DG connected to its distribution system. GEMC can only provide distribution facilities to connect the DG and to transmit the energy to TVA. The owner of the DG must obtain from TVA either 1) a Power Purchase Agreement to buy the electrical energy, or 2) a transmission Service Contract to move the power to another utility.

**1.2. Application for Interconnection**

Each customer should submit a completed application and supporting documents to GEMC prior to purchasing any DG equipment.

Tier 1

Projects less than 1 MW are included in the TVA Generation Partners Program. Since this program is continuing to evolve and develop, the latest information on this program can be obtained at the following website:

[www.tva.gov/greenpowerswitch/partner/index.htm](http://www.tva.gov/greenpowerswitch/partner/index.htm)

### Tier 2

Projects with generation between 1 and 20 MW will be required to submit the application form and all supporting information identified in Attachment 1. These projects will also be submitted to TVA for assessment of any potential impacts to the bulk transmission system.

### Tier 3

If the generation is a Tier 3 project of greater than or equal to 20 MW, these large generation projects must follow the TVA Large Generator Interconnection Projects (LGIP) process detailed at [www.tva.gov](http://www.tva.gov). This process will assess and mitigate the impacts of connecting larger amounts of generation to both GEMC's distribution and TVA's transmission facilities.

The latest application and completion forms along with other program details can be obtained by contacting the GEMC office at

Gibson Electric Membership Corporation  
1207 South College Street  
P.O. Box 47  
Trenton, TN 38382

## **1.3. Application Processing (See Figure 1)**

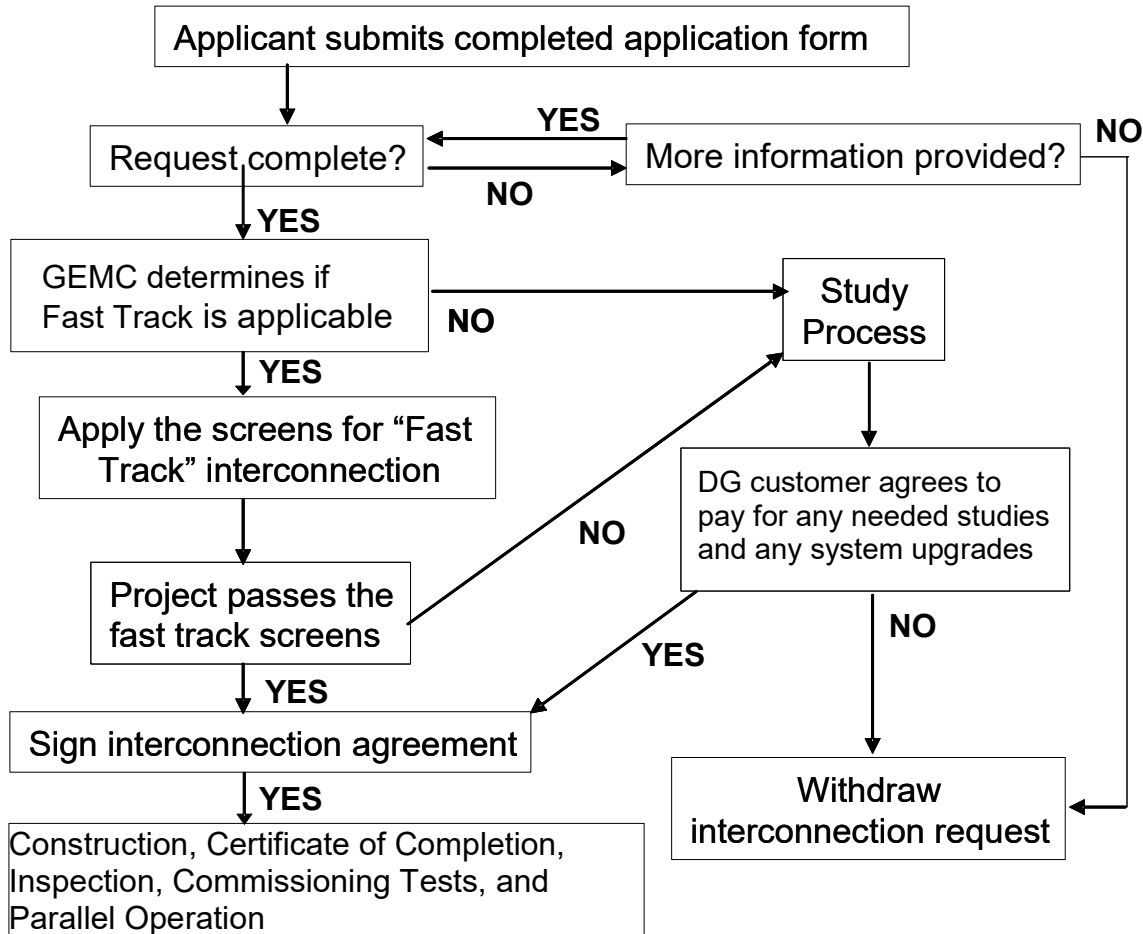
**1.3.1.** GEMC will review the applications for new projects for sufficiency and completeness and notify the customer of receipt of application that it has received all documents required or indicate how the application is deficient. Tier 2 & 3 projects will be submitted by GEMC to TVA for additional review.

**1.3.2.** GEMC will evaluate the system using the criteria of Section 2 Fast Track Screening Process to determine if an interconnection study is necessary. If the project does not pass the Fast Track Screening Process, the requirements outlined in Section 3 Study Process will be followed. Otherwise, GEMC will notify the customer that they may proceed with purchase and installation of the project and will send a completed interconnection agreement to the customer for execution. The customer will also be notified of any additional requirements. **Customer will not be allowed to proceed with parallel operation until all provisions of these procedures have been met and GEMC has given written notification to proceed with parallel operation.**

**1.3.3.** The customer must execute the interconnection agreement and return it to GEMC at least 30 calendar days prior to the desired date of parallel operation and within one year after GEMC executes the agreement.

**1.3.4.** After installation, the Customer returns the Certificate of Completion to GEMC. Prior to parallel operation, GEMC may inspect the DG equipment for compliance with the proposed design and may require a Commissioning Test in accordance with the procedures defined by the latest version of IEEE 1547.1. GEMC will have the option of witnessing the Commissioning test or may require documentation from the equipment owner describing which tests were performed and their results.

**1.3.5.** If the inspection of the completed system and any required Commissioning test are satisfactory, GEMC will notify the Customer in writing that interconnection of the DG equipment is authorized for parallel operation. If the system does not pass the inspection and/or Commissioning test, GEMC has the right to Lockout the Facility. The Customer shall not under any circumstance take any action to operate the system in parallel until the problems have been corrected and a new inspection and Commissioning test are performed, or waived by GEMC.



**Figure 1. The Application Process**



#### **1.4. Standards and Certification Criteria**

The DG equipment must comply with the latest revision of the following standards and the customer must provide evidence of certification with the DG Equipment Application or with the Certificate of Completion:

- 1.4.1.** IEEE 1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)
- 1.4.2.** IEEE 1547.1 Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems
- 1.4.3.** UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems
- 1.4.4.** NFPA 70 National Electrical Code
- 1.4.5.** The DG Equipment shall be considered certified for interconnected operation if the generation equipment and all related interconnection components have been tested and listed by a Nationally Recognized Testing Laboratory (NRTL certification by Department of Labor) for continuous interactive operation with an electric distribution system in compliance with the codes and standards outlined in 1.4.1 – 1.4.4 above.
- 1.4.6.** The customer must provide evidence that the installation has been inspected and approved by state or local code officials, as applicable, prior to its operation in parallel. This information will be submitted with the Certification of Completion.

## **2. FAST TRACK SCREENING PROCESS**

### **2.1. Applicability**

GEMC will determine if the proposed system can follow the Fast Track process or if the design of the system would require evaluation under the Study Process of Section 3. Generally this process is available to a Customer whose proposed DG equipment is no larger than 1 MW and meets the codes, standards, and certification requirements of 1.4 above.

### **2.2. Fast Track Review Screens**

After GEMC has received a sufficient and complete Interconnection Application, GEMC shall perform an initial review using the screens set forth below and shall notify the Interconnection Customer of the results.

#### **2.2.1. Generation On Circuit As A Percent of Annual Peak Load**

For interconnection of a proposed DG equipment to a radial distribution

circuit, the aggregated generation, including the proposed DG Equipment, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of GEMC’s electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.

**2.2.2. Maximum Fault Current**

The proposed DG Equipment, in aggregation with other generation on the distribution circuit shall not contribute more than 10% to the distribution circuit’s maximum fault current at the point on the high voltage (primary) level nearest the proposed point of interconnection.

**2.2.3. Short Circuit Interrupting Capability**

The proposed DG equipment, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

**2.2.4. Type of Interconnection**

Using the table below, determine the type of transformer connection allowable to interconnect a DG with a primary distribution line through a transformer. This screen includes a review of the type of electrical service provided to the Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on GEMC’s electric power system due to a loss of ground during the operating time of any anti-islanding function.

<b>Primary Distribution Line Type</b>	<b>Type of Interconnection to Primary Distribution Line</b>	<b>Result/ Criteria</b>
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

**2.2.5. Maximum Size for Single Phase**

If the proposed DG equipment is to be interconnected on single-phase secondary, shared secondary, or individual service, the aggregate generation capacity on the single-phase secondary, shared secondary, or individual service shall not exceed 15 kW.

**2.2.6. Load Balance**

If the proposed DG equipment is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 %

of the nameplate rating of the service transformer. If the proposed DG equipment is single-phase and is to be interconnected to a three phase service secondary or service, its addition shall not cause the load on any of the individual phases to exceed twice the load on any of the other two phases.

#### **2.2.7. Transient Stability Problems**

The DG equipment, in aggregate with other generation interconnected to the distribution side of a substation transformer feeding the circuit where the DG equipment proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four distribution busses from the point of interconnection).

#### **2.2.8. No Upgrades Required**

No construction of facilities by GEMC on its own system shall be required to accommodate the DG equipment.

### **2.3 Fast Track Screening Results**

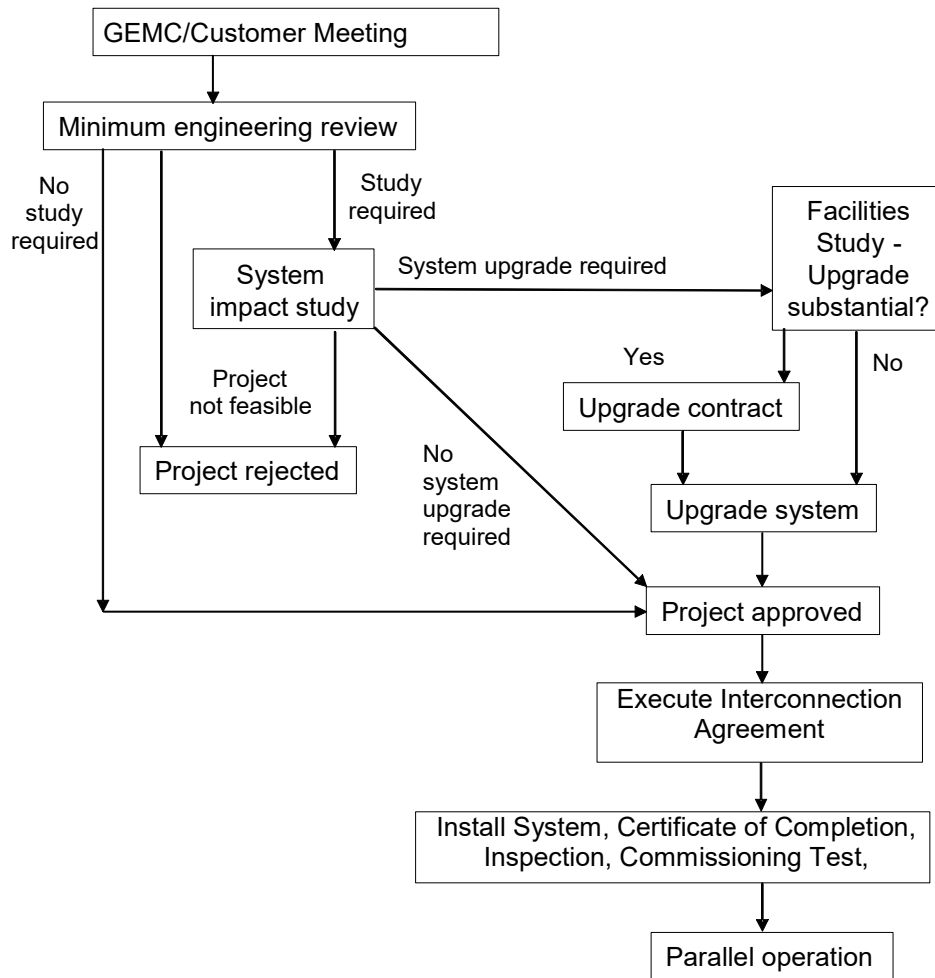
If the proposed DG equipment passes the screens, the Customer's Application will be approved and GEMC will provide the Customer an executable interconnection agreement. If the proposed project does not pass the screens, the Customer will be notified and offered the opportunity to attend a meeting where the processes outlined in Section 3.0 will be explained and a course of action determined.

## **3. STUDY PROCESS**

The study process (see Figure 2) consists of the minimum engineering review, the system impact study and the facilities study. At an initial meeting, the parties shall determine whether a minimum engineering review is sufficient, or the parties shall proceed directly to a system impact study, or a system upgrade study.

### **3.1. Minimum Engineering Review**

The "Minimum Engineering Review" also known as the Feasibility Study in FERC Order 2006 is designed to identify any adverse system impacts that would result from interconnection of the DG equipment. Examples of such negative impacts would include exceeding the short circuit capability rating of any breakers, violations of thermal overload or voltage limits, and a review of grounding requirements and electric system protection. If GEMC determines that the Minimum Engineering Review will require substantial time, GEMC may ask customer to reimburse GEMC for the costs associated with this review.



**Figure 2. The Study Process**

### 3.2. System Impact and Facilities Studies

Beyond the minimum engineering review (or Feasibility Review), the study process includes the System Impact Study and the Facilities Study. A system impact study is designed to identify and detail the electric system impacts that would result if the proposed project were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

In instances where the system impact study shows potential for distribution system adverse impacts, GEMC shall send the Customer a distribution system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study,

if such a study is required. Once the customer agrees to pay the cost of the study, the process continues.

Once the required system impact study is complete, a facilities study agreement if needed, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study, shall be sent to the customer. Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. Upon completion of the facilities study, and with the agreement of the Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, GEMC shall provide the Customer an executable interconnection agreement.

EFFECTIVE: 06/27/2011

REVISED:

REVIEWED: 09/24/2018

ATTACHMENT 1

**INTERCONNECTION AND PARALLEL OPERATION AGREEMENT FOR  
RENEWABLE GENERATION OPERATING UNDER GENERATION PARTNERS PROGRAM  
TIER LEVEL 1 (Less than 1 MW)**

This Interconnection Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Gibson Electric Membership Corporation, a corporation organized under the laws of \_\_\_\_\_, and \_\_\_\_\_ hereinafter referred to as Participant, and

**WHEREAS**, the Participant has requested interconnection services for the output of distributed generation that is owned by the Participant or a third party (see attached Application For Interconnection) at the Participant’s \_\_\_\_\_ presently \_\_\_\_\_ metered \_\_\_\_\_ location, \_\_\_\_\_ which \_\_\_\_\_ is \_\_\_\_\_.

**NOW**, therefore, for and in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

**1. Scope of Agreement**

1.1. This Agreement is applicable to conditions under which the GEMC and the Participant agree that one or more generating systems and all related interconnection equipment (described in the Application For Interconnection of Distributed Generation and attached to this agreement and hereinafter referred to as “Qualifying System”) located at Participant’s presently metered location with gross power rating of \_\_\_\_\_ kW and to be interconnected at \_\_\_\_\_ kV may be interconnected to the GEMC’s electric power distribution system (“System”). Execution of this agreement allows the Participant to proceed with procurement and installation of the system but Participant is not allowed to proceed with parallel operation until GEMC has received a completed Certificate of Completion, GEMC has conducted an onsite inspection and witnessed any required commissioning test or waived such test, and has given Participant written authorization to proceed with parallel operation.

**2. Establishment of Point of Interconnection**

2.1. The point where the electric energy first leaves the wires or facilities owned by the GEMC and enters the wires or facilities provided by Participant is the “Point of Interconnection.” GEMC and Participant agree to interconnect the Qualifying System at the Point of Interconnection in accordance with the GEMC’s rules, regulations, by-laws, and rates (the “Rules”) which are incorporated herein by reference and the generator and all related interconnection equipment will comply with the GEMC’s Distributed Generation Interconnection Procedures.

**3. General Responsibilities of the Parties**

- 3.1. GEMC has reviewed the proposed generation and related equipment as described in the Application for compliance with GEMC’s Interconnection Procedures and approved the Qualifying System for interconnection based on one of the following conditions:
  - 3.1.1. Qualifying System has been certified as meeting the applicable codes and standards and has passed the Fast Track Screening Process, or
  - 3.1.2. GEMC in agreement with Participant has conducted additional engineering evaluations or detailed impact studies and any necessary System upgrades or changes identified by these

additional studies have been implemented and Participant has paid for such changes where necessary;

- 3.2. Participant shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions, including the latest version of the National Electrical Code applicable to the design, installation, operation and maintenance of its Qualifying System.
- 3.3. The Participant shall provide Local Building Code Official inspection and certification of installation forms to the GEMC. The certification shall reflect that the code official has inspected and certified that the installation was permitted, has been approved, and has met all electrical and mechanical qualifications.
- 3.4. After installation, the Participant shall return the Certificate of Completion to the GEMC. Prior to parallel operation, the GEMC may inspect the Qualifying System for compliance with standards which may include a witness test. GEMC must provide written authorization before Participant can begin parallel operation.
- 3.5. Participant shall conduct operations of its Qualifying System in compliance with all aspects of the Rules and in accordance with industry standard prudent engineering practice and must comply with the latest version of IEEE 519.
- 3.6. The Participant shall be responsible for protecting its generation equipment, inverters, protective devices, and other system components from damage from the normal and abnormal conditions and operations that occur on the System in delivering and restoring power; and shall be responsible for ensuring that the Qualifying System is inspected, maintained, and tested on an ongoing basis in accordance with the manufacturer's instructions to ensure that it is operating correctly and safely. GEMC will have the right to requests and receive copies of the test results.

#### **4. Inspection and On-Going Compliance**

- 4.1. GEMC will provide Participant with as much notice as reasonably practicable; either in writing, e-mail, facsimile or by phone as to when GEMC may conduct inspection and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, GEMC shall have access to the Participant's premises for the purpose of accessing the manual disconnect switch, performing an inspection or disconnection, or, if necessary, to meet GEMC's legal obligation to provide service to its customers.

#### **5. Manual Disconnect Switch**

- 5.1. Participant must install a manual, lockable, visible load break disconnect switch between the generation source and the GEMC's system that is visibly marked "Participant Generation Disconnect". The disconnect shall be mounted separate from but adjacent to the GEMC's meter socket. The Participant shall ensure that such manual disconnect switch shall remain readily accessible to GEMC and be capable of being locked in the open position with a single GEMC utility padlock. A permanent, weatherproof single line diagram of the facility must be located adjacent to the disconnect switch. Names and current telephone numbers of at least two persons authorized to provide access to the facility that have authority to make decisions regarding the interconnection and operation of the Qualifying System will be included.

#### **6. Disconnection / Reconnection**

- 6.1. GEMC may open the manual disconnect switch or disconnect the Participant's meter, pursuant to the conditions set forth in Section 6.2 below, isolating the Qualifying System, without prior notice to the Participant. To the extent practicable, however, prior notice shall be given. If prior notice is not given, GEMC shall at the time of disconnection leave a door hanger notifying the Participant that its Participant-owned generation has been disconnected, including an explanation of the condition necessitating such action. As

soon as practicable after the condition(s) necessitating disconnection has been remedied, GEMC will unlock the disconnect switch so Participant may reenergize the Qualifying System.

- 6.2. GEMC has the right to disconnect the Participant-owned generation at any time. Some examples of situations that may require disconnect are:
  - 6.2.1. Emergencies or maintenance requirements on GEMC's system;
  - 6.2.2. Hazardous conditions existing on GEMC's system due to the operation of the Participant's generating or protective equipment as determined by GEMC; and
  - 6.2.3. Adverse electrical effects, such as power quality problems, on the electrical equipment of GEMC's other electric consumers caused by the Participant-owned generation as determined by GEMC.

**7. Modifications/Additions to Participant-owned Generation**

- 7.1. If the Qualifying System is subsequently modified in order to increase or decrease its Gross power rating or any components are changed, the Participant must provide GEMC with written notification that fully describes the proposed modifications at least thirty (30) calendar days prior to making the modifications.

**8. Indemnity**

- 8.1. Participant agrees to release, indemnify, and save harmless GEMC, TVA, the United States of America, and their respective agents and employees from all liability, claims, demands, causes of action, costs, or losses for personal injuries, property damage, or loss of life or property, sustained by Participant, Participant's agents and family, or third parties arising out of or in any way connected with the installation, testing, operation, maintenance, repair, replacement, removal, defect, or failure of Participant's Qualifying System. The obligations of this section 8.1 shall survive termination of this agreement.

**9. Assignment**

- 9.1. The Interconnection Agreement shall not be assignable by either party without thirty (30) calendar days notice to the other Party and written consent of the other Party, which consent shall not be unreasonably withheld or delayed.
- 9.2. An assignee to this Interconnection Agreement shall be required to assume in writing the Participant's rights, responsibilities, and obligations under this Interconnection Agreement.

**10. Insurance**

- 10.1. GEMC requires the following levels of Liability Insurance for Personal Injury and Property damage during the entire term of this Interconnection Agreement.
- 10.2. Generation up to 10 kW - Participant maintains an amount of not less than \$\_\_\_\_\_.
- 10.3. Generation greater than 10 kW but equal or less than 100 kW - Participant maintains an amount of not less than \$\_\_\_\_\_.
- 10.4. Generation greater than 100 kW but less than 1 MW - Participant maintains an amount of not less than \$\_\_\_\_\_.

**11. Effective Term and Termination Rights**

- 11.1. This Agreement becomes effective when executed by both Parties and shall continue in effect as long as the Generation Partners Attachment A, Participation Agreement between GEMC and Participant is in effect. This Agreement will be terminated immediately upon the termination of the Generation Partners Attachment A, Participation Agreement.



**12. Entirety of Agreement and Prior Agreements Superseded**

12.1. This Agreement, including the Rules, the Generation Partners Attachment A, Participation Agreement executed by GEMC and Participant, and all attached Exhibits, are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the Qualifying System of the Parties at the Point of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein, in the Participant’s Application for Interconnection of Distributed Generation, Certificate of Completion, the Generation Partners Attachment A, Participation Agreement or other written information provided by the Participant in compliance with the Rules.

**13. Notices**

13.1. Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to GEMC:

Gibson Electric Membership Corporation  
P.O. Box 47  
Trenton, TN 38382-0047  
1207 South College Street  
Trenton, TN 38382

(b) If to Participant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

GIBSON EMC

DG OWNER / OPERATOR

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTACHMENT 2

**APPLICATION FOR INTERCONNECTION OF DISTRIBUTED GENERATION  
Tier 2 (Over 1 MW and less than 20 MW)**

**The Customer or his designated representative shall supply the following information.**

Customer Name: \_\_\_\_\_

Service Address: \_\_\_\_\_

No. of Generators \_\_\_\_\_ Manufacturer \_\_\_\_\_ Model No: \_\_\_\_\_

kW Rating \_\_\_\_\_ kVA Rating \_\_\_\_\_ Power Factor \_\_\_\_\_

Voltage Rating: \_\_\_\_\_ Number of Phases: \_\_\_\_\_ Frequency: \_\_\_\_\_

Type (Synchronous, Induction, photo-voltaic, micro-turbine, fuel cell etc.) \_\_\_\_\_

Amount of power to be exported. \_\_\_\_\_ kW

Description of normal operation of distributed generation: (examples: provide power to meet base load, demand management, provide standby power)

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Is one line diagram attached? \_\_\_\_\_ Is disconnect device location shown? \_\_\_\_\_

Is list of specifications on protective devices attached? \_\_\_\_\_

Expected Start-up Date: \_\_\_\_\_

Submitted by: \_\_\_\_\_ Title: \_\_\_\_\_

Signature \_\_\_\_\_ Date: \_\_\_\_\_

Address \_\_\_\_\_

Phone Number: \_\_\_\_\_ e-mail: \_\_\_\_\_

Fax: \_\_\_\_\_

Return completed application to your local contact:

ATTACHMENT 3

**INTERCONNECTION AND PARALLEL OPERATION AGREEMENT  
FOR DISTRIBUTED GENERATION  
TIER LEVELS 2 & 3 (1MW and Greater)**

This Interconnection Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, Gibson Electric Membership Corporation (GEMC), a corporation organized under the laws of \_\_\_\_\_, and \_\_\_\_\_ (“DG Owner/Operator”), each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties”. In consideration of the mutual covenants set forth herein, the Parties agree as follows:

**1. Scope of Agreement** – This Agreement is applicable to conditions under which GEMC and the DG Owner/Operator agree that one or more generating facilities (described in Exhibit A) owned by the DG Owner/Operator of \_\_\_\_ kW or less, to be interconnected at \_\_\_\_ kV or less (“Facilities”) may be interconnected to GEMC’s electric power distribution system (“System”).

**2. Establishment of Point of Interconnection** – The point where the electric energy first leaves the wires or facilities owned by GEMC and enters the wires or facilities provided by DG Owner/Operator is the “Point of Interconnection.” GEMC and DG Owner/Operator agree to interconnect the Facilities at the Point of Interconnection in accordance with GEMC’s rules, regulations, by-laws, rates, and tariffs (the “Rules”) which are incorporated herein by reference. The interconnection equipment installed by the DG Owner/Operator (“Interconnection Facilities”) shall be in accordance with the Rules as well.

**3. Responsibilities of GEMC and DG Owner/Operator for Installation, Operation and Maintenance of Facilities** – DG Owner/Operator will, at its own cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for, its Facilities and Interconnection Facilities, unless otherwise specified on Exhibit A. DG Owner/Operator shall conduct operations of its Facilities and Interconnection Facilities in compliance with all aspects of the Rules and in accordance with industry standard prudent engineering practice. GEMC shall conduct operations of its electric distribution facilities in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facilities Schedule attached hereto as Exhibit A. Maintenance of Facilities and Interconnection Facilities shall be performed in accordance with the applicable manufacturers’ recommended maintenance schedule. The DG Owner/Operator agrees to cause its Facilities and Interconnection Facilities to be constructed in accordance with the Rules and specifications equal to or better than those provided by the National Electrical Safety Code and the National Electrical Code, both codes approved by the American National Standards Institute, in effect at the time of construction.

The DG Owner/Operator covenants and agrees to cause the design, installation, maintenance, and operation of, its Facilities and Interconnection Facilities so as to reasonably minimize the likelihood of a malfunction or other disturbance, damaging or otherwise affecting or impairing the System. DG Owner/Operator shall comply with all applicable laws, regulations, zoning

codes, building codes, safety rules and environmental restrictions applicable to the design, installation, operation and maintenance of its Facilities and Interconnection Facilities.

GEMC will notify DG Owner/Operator if there is evidence that the Facilities' or Interconnection Facilities' operation causes disruption or deterioration of service to other customers served from the System or if the Facilities' or Interconnection Facilities' operation causes damage to the System. DG Owner/Operator will notify GEMC of any emergency or hazardous condition or occurrence with the DG Owner/Operator's Facilities or Interconnection Facilities, which could affect safe operation of the System.

**4. Operator in Charge** – The DG Owner/Operator shall each identify an individual (by name or title) who will perform as “Operator in Charge” of the Facilities and the DG Owner/Operator portion of the Interconnection Facilities. This individual must be familiar with this Agreement as well as provisions of the Rules and any other agreements or regulations that may apply.

**5. Power Sales to GEMC** - Interconnection of the Facilities with the System does not grant the DG Owner/Operator the right to export power nor does it constitute an agreement by GEMC to purchase or wheel excess power.<sup>1</sup>

#### **6. Limitation of Liability and Indemnification**

a. Notwithstanding any other provision in this Agreement, with respect to GEMC's provision of electric service to DG Owner/Operator and the services provided by GEMC pursuant to this Agreement, GEMC's liability to DG Owner/Operator shall be limited as set forth in GEMC's tariffs and terms and conditions for electric service, which are incorporated herein by reference.

b. For the purposes of this Agreement, a Force Majeure event is any event: (a) that is beyond the reasonable control of the affected party; and (b) that the affected party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent that they satisfy the preceding requirements: acts of war, public disorder, rebellion or insurrection; floods, hurricanes, earthquakes, lighting, storms or other natural calamities; explosions or fires; strikes, work stoppages or labor disputes; embargoes; and sabotage. If a Force Majeure event prevents a party from fulfilling any obligations under this agreement, such party will promptly notify the other party in writing and will keep the other party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected party is taking to mitigate the effect of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.

c. Notwithstanding Paragraph 5.b of this Agreement, the DG Owner/Operator shall assume all liability for and shall indemnify GEMC and its members, trustees, directors, officers, managers, employees, agents, representatives, affiliates, successors and assigns for and shall hold them harmless from and against any claims, losses, costs, and expenses of any kind or character to the extent that they result from DG Owner/Operator's negligence or other wrongful conduct in connection with the design, construction, installation, operation or

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<sup>1</sup> If the DG Owner/Operator wishes to export power, separate agreements must be in place with TVA for Power Purchase or Transmission Service.

maintenance of the Facilities or Interconnection Facilities. Such indemnity shall include, but is not limited to, financial responsibility for (a) monetary losses; (b) reasonable costs and expenses of defending an action or claim; (c) damages related to death or injury; (d) damages to property; and (e) damages for the disruption of business.

d. GEMC and DG Owner/Operator shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines, wires, switches, or other equipment or property on their respective sides of the Point of Interconnection. GEMC does not assume any duty of inspecting the DG Owner/Operator's lines, wires, switches, or other equipment or property and will not be responsible therefore. DG Owner/Operator assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the Point of Interconnection.

e. For the mutual protection of the DG Owner/Operator and GEMC, only with GEMC prior written authorization are the connections between GEMC's service wires and the DG Owner/Operator's service entrance conductors to be energized.

**7. Testing and Testing Records** – The DG Owner/Operator shall provide to GEMC all records of testing. Testing of protection systems for intermediate and large units shall be limited to records of compliance with standard acceptance procedures and by industry standards and practices. These records shall include testing at the start of commercial operation and periodic testing thereafter. Factory testing of pre-packaged Interconnection Facilities and the protective systems of small units shall be acceptable. In the case of a factory test, the DG Owner/Operator needs to provide a written description and certification by the factory of the test, the test results, and the qualification of any independent testing laboratory. In addition, the settings of the equipment being installed are to be approved by GEMC prior to DG operation.

**8. Right of Access, Equipment Installation, Removal & Inspection** – GEMC may send an employee, agent or contractor to the premises of the DG Owner/Operator at any time whether before, during or after the time the Facilities first produce energy to inspect the Facilities and Interconnection Facilities, and observe the Facility's installation, commissioning (including any testing), startup, operation, and maintenance.

At any time GEMC shall have access to DG Owner/Operator's premises for any reasonable purpose in connection with the interconnection described in this Agreement, the Rules, or to provide service to its customers.

**9. Disconnection of Facilities** – DG Owner/Operator retains the option to disconnect its Facilities from the System, provided that DG Owner/Operator notifies GEMC of its intent to disconnect by giving GEMC at least thirty (30) days' prior written notice. Such disconnection shall not be a termination of this Agreement unless DG Owner/Operator exercises rights under Section 12 that do not lead to a resolution of the issue.

DG Owner/Operator shall disconnect Facilities from the System upon the effective date of any termination resulting from and required by actions under Section 12.

GEMC shall have access to and the right to disconnect or cause the DG Owner/Operator to disconnect the Facilities from the System and suspend service in cases where continuance of service to DG Owner/Operator will endanger persons or property. During the forced outage of the System serving DG Owner/Operator, GEMC shall have the right to suspend service and disconnect or cause the DG Owner/Operator to disconnect the Facilities from the System to effect

repairs on the System, but GEMC shall use its reasonable efforts to provide the DG Owner/Operator with reasonable prior notice.

**10. Metering** – GEMC shall purchase, own, install and maintain such metering equipment as may be necessary to meter the electrical output of the Facilities in accordance with Section 9. All costs associated therewith shall be borne by the DG Owner/Operator. Metering shall meet accuracy standards required for equivalent electrical services and can be done with standard meters or any devices that meet data collection and accuracy requirements. For Facilities greater than 200 kW, telemetry may be required by GEMC to monitor real-time output and other DG functions for large and medium generators that are operated remotely<sup>2</sup>. Telemetry data shall be available to GEMC and the communication of such data shall be compatible with GEMC’s communication methods.

**11. Insurance** – DG Owner/Operator shall carry adequate insurance coverage that shall be acceptable to GEMC.

**12. Effective Term and Termination Rights** – This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) DG Owner/Operator may terminate this Agreement at any time by giving GEMC at least sixty (60) days’ written notice; (b) GEMC may terminate upon failure by the DG Owner/Operator to generate energy from the Facilities within six (6) months after completion of the interconnection; (c) either Party may terminate by giving the other Party at least thirty (30) days prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of GEMC, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) GEMC may terminate by giving DG Owner/Operator at least sixty (60) days notice in the event that there is a material change in an applicable law, or any requirement of GEMC’s wholesale electric suppliers or of any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System.

**13. Compliance with Laws, Rules and Tariffs** – Both GEMC and the DG Owner/Operator shall be responsible for complying with the laws of the state, and the Rules. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Rules, which Rules are hereby incorporated into this Agreement by this reference. GEMC shall have the right to publish changes in any of the Rules at any time.

**14. Severability** – If any portion or provision of this Agreement is held or adjudged for any reason to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

**15. Amendment** – This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

**16. Entirety of Agreement and Prior Agreements Superseded** – This Agreement, including the Rules and all attached Exhibits and Facilities Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties

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<sup>2</sup> Telemetry is not required if it is prevented via protective relaying from injecting energy into GEMC distribution system.

with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein or in the DG Owner/Operator application, or other written information provided by the DG Owner/Operator in compliance with the Rules. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

**17. Assignment** – At any time during the term of this Agreement, the DG Owner/Operator may assign this Agreement to a corporation, an entity with limited liability or an individual (the “Assignee”) to whom the DG Owner/Operator transfers ownership of the Facilities; provided that the DG Owner/Operator obtains the consent of GEMC in advance of the assignment. GEMC’s consent will be based on a determination that the Assignee is financially and technically capable to assume ownership and/or operation of the Facilities, which will not be unreasonably withheld. The company or individual to which this Agreement is assigned will be responsible for the proper operation and maintenance of the Facilities, and must agree in writing to be subject to all provisions of this Agreement. GEMC may also assign the Agreement to another entity with the written approval of the DG Owner/Operator.

**18. Notices** – Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(c) If to GEMC:

Gibson Electric Membership Corporation  
P.O. Box 47  
Trenton, TN 38382-0047  
1207 South College Street  
Trenton, TN 38382

(d) If to DG Owner/Operator:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 18.

**19. Invoicing and Payment** – Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Rules.

**20. Limitations (No Third-Party Beneficiaries, Waiver, etc.)** – This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties. This Agreement may not be assigned by the DG Owner/Operator without the prior written consent of GEMC as specified in Section 16.

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

**21. Headings** – The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

**22. Multiple Counterparts** – This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

**GIBSON EMC**

\_\_\_\_\_  
**DG OWNER/OPERATOR**

**BY:** \_\_\_\_\_

**BY:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_



**EXHIBIT A**  
**LIST OF FACILITIES SCHEDULES AND POINTS OF INTERCONNECTION**

Facility Schedule No.

Name of Point of Interconnection

*DG Owner/Operator will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for its Facilities, unless otherwise specified on Exhibit A.*

**FACILITIES SCHEDULE NO.**

The following information is to be specified for each Point of Interconnection, if applicable.

- 1. Name:
- 2. Facilities location:
- 3. Delivery voltage:
- 4. Metering (voltage, location, losses adjustment due to metering location, and other:
- 5. Normal Operation of Interconnection:
- 6. One line diagram attached (check one):/ \_\_\_\_\_ Yes / \_\_\_\_\_ No
- 7. Facilities to be furnished by GEMC:
- 8. Facilities to be furnished by DG Owner/Operator:
- 9. Cost Responsibility:
- 10. Control area interchange point (check one): / \_\_\_\_\_ Yes / \_\_\_\_\_ No
- 11. Supplemental terms and conditions attached (check one): / \_\_\_\_\_ Yes / \_\_\_\_\_ No
- 12. GEMC rules for DG interconnection attached (check one): / \_\_\_\_\_ Yes / \_\_\_\_\_ No

GIBSON ELECTRIC MEMBERSHIP CORPORATION

DG OWNER/OPERATOR

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**POLICY NO. 47**

**DISCONNECT POLICY DURING EXTREME WEATHER CONDITIONS**

Gibson Electric Membership Corporation will observe all local advisories and warnings generated from the National Weather Service and will not disconnect electric service when extreme weather conditions are observed or predicted as stated below:

1. If the National Weather Service issues an Excessive Heat Warning/Advisory, service will not be disconnected that day.
2. If the high temperature is predicted to be 32 degrees or below for the day, service will not be disconnected that day.

EFFECTIVE: 02/27/12

REVISED: