

SCHEDULE OF RULES & REGULATIONS

**ELECTRIC POWER BOARD OF THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY**

Revised: March 1, 2022

PURPOSE

The purpose of the Schedule of Rules & Regulations is to govern the relationship between Nashville Electric Service (NES) and its customers. The Schedule of Rules & Regulations is a part of all contracts for receiving electric service from NES. It applies to all service received from NES whether the service is based upon contract, agreement, signed application, or otherwise.

The Schedule of Rules & Regulations is attached to the Power Contract between the Tennessee Valley Authority (TVA) and NES (distributor) and referenced in section 9 of the contract. These Rules & Regulations may not be changed in any manner without 30 days advance written notice to TVA describing the change and the reason therefore. No change can be made which is in violation or inconsistent with any provision of the Power Contract. In addition, the Electric Power Board has to approve all changes to this document.

The NES policies that relate to these Rules & Regulations are documented in the NES Customer Relations Policies, Electric Service Policies and www.nespower.com.

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1. **APPLICATION FOR SERVICE:** NES will provide prospective customers desiring electric service a service agreement informing them of their rights, obligations and the availability of information pertaining to NES's service practices and policies.

In the event that electric service cannot be provided, a "Denial of Service" form will be provided to customers upon request indicating the reason for denial.

2. **DEPOSITS:**

COMMERCIAL CUSTOMERS - A deposit of suitable guarantee not exceeding twice the average bill, if known, and if not, as estimated, or other suitable security may be required before electric service is supplied.

RESIDENTIAL CUSTOMERS - A deposit of suitable guarantee, not exceeding twice the average bill, may be required before electric service is supplied.

GENERAL - All cash deposits which are held to guarantee the payment of electric bills will draw simple interest at the rate as set by the Electric Power Board. Deposits must be held one year before interest is due. Interest will be added to the deposit amount when the deposit is either applied to the account or refunded.

If a satisfactory payment record is established by the customer, the deposit will be refunded or applied to their

account after one year for residential customers and after three years for commercial customers.

Such deposits shall in no way affect NES's rights arising from nonpayment of bills.

Upon termination of service, deposits will be applied against unpaid bills of the customer. If any balance remains after this application, the balance will be refunded to the customer.

Further information pertaining to deposits is available in the Customer Relations Policy manual.

3. **TURN-ON SERVICE CHARGE:** This charge will apply to a first-time customer, a former customer, a customer with an additional account, a transfer of service (certain exceptions as defined in the NES Customer Relations Policies may be granted), and an automatic turn-on for apartments. If a reconnect is required, the service charge will be greater than if no reconnect is required and will be added to the first electric bill.

4. **AVAILABILITY OF SERVICE:** NES will be obligated to furnish service only when the applicant for service is located in close proximity to distribution lines of NES and these lines are of the same voltage and phase characteristics as required

by the customer. The customer shall arrange to take the service at the point designated by NES.

5. **POINT OF DELIVERY:** The point of delivery is the point, as designated by NES, on the customer's premises where current is to be delivered to a building or premises. All wiring and equipment, except for the meter, beyond this point of delivery shall be provided and maintained by the customer.
6. **SERVICE CONNECTION LOCATION:** Electric service will be furnished to all customers whenever the electrical distribution facilities are available and adequate. NES reserves the right to refuse to make or to postpone making extensions, additions, or improvements to its electric system and to prescribe the terms and conditions upon which service will be rendered in any particular case.
7. **CUSTOMER'S WIRING - STANDARDS:** All wiring of customers must conform to municipal, county, and state requirements and accepted codes and standards, such as the National Electrical Safety Code and the National Electric Code. The customer shall at all times during the period served maintain the wiring, equipment, and apparatus to be furnished by the customer, in such condition and repair as may be required by any statute, law, or City Ordinance.

8. **INSPECTIONS**: NES shall have the right, but shall not be obligated, to inspect any installation before electricity is supplied or at any later time. Such inspection or failure to inspect or reject shall not render NES liable or responsible for any loss or damage resulting from defects in the installation, wiring or appliances, or from violation of NES's rules, or from accidents which may occur upon the customer's premises.

NES shall require an inspection and release of all electrical installations by either the State Fire Marshal's Office or the Office of Codes Administration prior to providing electrical service, except where exempted by Federal Regulation.

9. **UNDERGROUND SERVICE LINES**: NES may at its discretion install its facilities overhead or underground. Customers requiring underground service lines must abide by the terms and conditions of the NES Electric Service Policies.

10. **BILLING**: Bills will be rendered monthly and shall be based upon an actual meter reading unless circumstances prevent an actual reading. Failure to receive a bill will not release a customer from a payment obligation. Further information pertaining to customer billing is available in the Customer Relations Policy manual.

11. **BILLING ADJUSTED TO STANDARD PERIODS:** The 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 final billings (with the exception of Residential accounts) of all accounts where the period covered by the billing involves fractions of a month, the demand charges, other charges designed primarily to recover fixed costs, and the customer charges may be adjusted to a basis proportionate with the period of time during which service is extended.

12. **DISCONTINUANCE OF SERVICE BY NASHVILLE ELECTRIC SERVICE:** NES reserves the right to discontinue service and disconnect its lines and remove its property for any of the following reasons:
 - a. Repairs.
 - b. Identity theft or other fraudulent activity.
 - c. Nonpayment of bills upon seven days' notice to customer.
 - d. Violation of any of these Rules & Regulations or terms and conditions, or customer contracts or applications.
 - e. Use or application by the customer of the service in a manner or for a purpose which is detrimental to the service or the general public.
 - f. When made unlawful by orders, ordinances, or laws of the State of Tennessee or any political subdivision thereof.

- g. Evidence of tampering with the meter or other equipment which would cause the meter to fail to register or to register inaccurately, or for theft of electricity or the appearance of electricity theft devices on the premises.
- h. Upon request of a government agency for any potential safety hazard that may be present to the public or personnel.

Further information regarding termination of service may be found in the Customer Relations Policy Manual.

- 13. **SERVICE CHARGES FOR TEMPORARY SERVICE**: Customers requiring electric service of a temporary nature may be required by NES to pay in advance the estimated cost of connection and disconnection incident to the supplying and removal of service. NES may also require payment in advance for the estimated amount of usage. This rule applies to temporary service for circuses, fairs, temporary construction, etc.
- 14. **RECONNECT CHARGE**: A customer who has his/her electric service cut off for nonpayment of an electric bill will have a reconnect charge added to his/her bill when a reconnect order is issued.
- 15. **RETURN CHECK CHARGE**: For each returned check which is determined to be the fault of the customer, NES will charge the customer a returned check charge which will be added to the customer's account.

16. **CUSTOMER'S RESPONSIBILITY FOR NASHVILLE ELECTRIC SERVICE'S**

PROPERTY: All meters, service connections, transformers, and other equipment owned and furnished by NES shall be surrendered to NES upon discontinuance of the service.

The customer shall provide such necessary space located in accordance with NES's standards on or in his/her premises and shall exercise proper care to protect the property of NES on or in his/her premises; and in the event of loss or damage to NES's property arising from either neglect or the fault of the customer to care for same, the cost of necessary repairs or replacements shall be paid by the customer. NES shall be notified in case of any trouble therewith.

Meter damage such as a broken seal, a broken band or cover, a broken locked meter band, and/or a meter damaged beyond repair determined to be the customer's fault may be charged to any outstanding bill.

17. **RIGHT OF ACCESS:** NES's employees or contractors shall have

safe access to the customer's premises at all reasonable times for the purpose of reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to NES, and for inspection of any and all electrical wiring and equipment on the customer's premises.

18. **VOLTAGE FLUCTUATIONS CAUSED BY CUSTOMER:** Electric service

must not be used in such a manner as to cause unusual

fluctuations or disturbance to NES's system or to other customers. NES may require the customer, at his/her own expense, to install a suitable apparatus which will reasonably limit such fluctuations.

19. **NOTICE OF TROUBLE**: The customer shall notify NES immediately should the service be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of electricity. Such notices, if verbal, should be confirmed in writing.
20. **TERMINATION OF CONTRACT BY CUSTOMER**: Customers who have fulfilled their contract terms and wish to discontinue service must give at least three days' written notice to that effect unless a contract specifies otherwise. Notice to discontinue service prior to expiration of a contract term will not relieve the customer from any minimum or guaranteed payment under any contract or rate.
21. **METER TESTS**: NES will, at its own expense, make periodic tests and inspections of its meters in order to maintain a high standard of accuracy. NES will make additional tests or inspections of its meters at the customer's request. If tests show that the meter is accurate within two percent slow or fast, no adjustment will be made in the customer's bill, and the customer will be charged a meter investigation fee. If tests show the meter to be in excess of two percent slow or fast, an adjustment shall be made in the customer's bill for

a period of up to 36 months prior to date of the test, and the customer will not be charged for the test.

22. **BILLING ADJUSTMENTS**: If electrical equipment is damaged or an error is made in the calculation of an amount owed, bills will be estimated by NES. In estimating the bill, NES may consider records of past bills of like customers similarly situated, or any other information available. The customer's bill shall be adjusted for a period of up to 36 months based on applicable Tennessee law. Upon the discovery of a billing error, NES will adjust customers' bills in accordance with the following:

Customer accounts will be debited for a period of up to 36 months and credited for a period of up to 72 months for crossed meters, incorrect rate schedule classification, full or partial equipment failures, system and/or process errors, incorrect wiring and/or faulty equipment installation, and for any other instance that results in a billing error.

Customer accounts will be credited or debited for the current year plus the preceding 36 months for improper assessments of sales taxes.

Customer accounts will be debited for as far back as records exist for theft of service.

If the amount to be credited or debited cannot be precisely quantified, it will be estimated by NES. In making estimations, NES may consider the customer's prior and subsequent billing history, records of past bills of similarly

situated customers, or any other available information.

23. **ADDITIONAL LOAD**: The service connections, transformers, meters, and equipment supplied by NES for each customer have definite capacity; therefore, no addition to the equipment or load connected thereto will be allowed except by consent of NES. Failure to give notice of additions or changes in load and to obtain NES's consent for same shall render the customer liable for any damage to any of NES's lines or equipment caused by the additional or changed installations.
24. **RELOCATION OF EQUIPMENT**: NES may, at the request of a customer, relocate or change existing equipment owned by NES. The customer may be required to reimburse NES for such changes at actual cost including appropriate overheads.
25. **INTERRUPTION OF SERVICE**: NES will use reasonable diligence to provide a regular and uninterrupted supply of electricity, but shall not be liable for any loss, injury or property damage resulting from failure to supply electricity,

interruption, delay in restoration, mechanical failure, single-phasing, voltage irregularity, fire, labor difficulties, riot, explosion, breakdown, external forces, flood, acts of God, or vandalism. NES shall not be liable for any damage if the customer's wiring does not conform to applicable codes or laws.

26. **SHORTAGE OF ELECTRICITY**: In the event of an emergency or other condition causing a shortage in the amount of electricity for NES to meet the demand on its system, NES may, by an allocation method deemed equitable by NES, fix the amount of electricity to be made available for use by the customer and/or otherwise restrict the time during which the customer may make use of electricity and the uses which the customer may make of electricity. If such actions become necessary, the customer may request a variance because of unusual circumstances, including matters adversely affecting the public health, safety, and welfare. If the customer fails to comply with such allocation or restriction, NES may take such remedial actions as it deems appropriate under the circumstances, including temporarily disconnecting electric service and charging additional amounts because of the excessive use of electricity. The provisions of the section entitled "Interruption of Service" of this Schedule of Rules & Regulations are applicable to any such allocation or restriction.

27. **STANDBY AND RESALE SERVICE**: All purchased electric service (other than emergency, standby service, or cogeneration) used on the premises of the customer shall be supplied exclusively by NES. The customer shall not directly or indirectly sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.
28. **NONSTANDARD SERVICE**: The customer shall pay for any special installation necessary to meet his/her peculiar requirements for service at other than standard voltages, for the supply of more precise voltage regulation than required by standard practice, or for any service other than normal standard service.
29. **OBLIGATIONS AND LIABILITY OF NASHVILLE ELECTRIC SERVICE**: The obligations of NES are dependent upon its having or securing and retaining the necessary rights, privileges, franchises, permits, materials, and apparatus. NES shall not be liable to the customer in the event it is delayed in furnishing or supplying service or is prevented from furnishing service applied for by its failure to secure and retain the above. All service shall be subject to all laws, rules, and regulations under which NES operates.

In the event NES is delayed in delivering service due to any of the above causes, the time fixed for the commencement of service shall be extended for a period equal to such delay. If the service is interrupted by injunction, strike, riot,

invasion, flood, act of God, fire, accident, breakdown, maintenance, or repairs to its system, cutting in new customers, or from any cause beyond NES's control, NES shall not be liable to the customer for such interruptions but shall use its best efforts in restoring the service. During such interruptions, the customer shall have the right to use such other electric service as may be available.

31. **RESIDENTIAL ENERGY EFFICIENCY PROGRAMS:** NES, in fulfillment of the purposes and provisions of the Tennessee Valley Authority Act and as part of its electric service, may make available funds to eligible electric customers for energy improvements for customer dwellings under residential energy efficiency programs conducted by NES and TVA. Eligible customers must sign repayment agreements under which the funds made available will be repaid to NES. Monthly repayment amounts due will be included as part of the electric bills from NES. NES may also make available disbursements to participants to encourage the installation and efficient use of electric appliances and devices in dwellings.

32. **EMPLOYEES TO RECEIVE NO COMPENSATION FROM CUSTOMERS:** Employees, inspectors, or agents of NES are forbidden to demand or accept any compensation for service rendered to customers.

33. **FILING AND POSTING:** A copy of these Rules & Regulations, Customer Relations Policies and NES' Schedule of Rates, shall be kept open for inspection at the offices of NES.
34. **SCOPE:** This Schedule of Rules & Regulations is a part of all contracts for receiving electric service from NES and applies to all service received from NES whether the service is based upon contract, agreement, signed application, or otherwise.
35. **REVISIONS:** These Rules & Regulations may be revised, amended, supplemented, or otherwise changed from time to time. Such changes, when effective, shall have the same force as the previously effective Rules & Regulations.
36. **CONFLICT - RATE SCHEDULE:** In case of conflict between any provision of any rate schedule and the Schedule of Rules & Regulations, the rate schedule shall apply.
37. **Disconnections of Service During Inclement Weather or Medical Hardship:** Refer to Customer Relations Policies or www.nespower.com.
38. **TVA Complaint Resolution Process:** In the case of billing disputes or other service issues, the customer is expected to resolve the dispute by notifying and working with NES. If the dispute is not resolved, NES will provide the customer with information regarding TVA's Complaint Resolution Process. Customers will be informed about the availability of the TVA Complaint Resolution Process upon application for

service, at any time upon request, and through information provided on the NES website.