



Southwest Tennessee Electric Membership Corporation

A Touchstone Energy® Cooperative 

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POLICY BULLETIN NO. 1-1

SUBJECT: BOARD OF DIRECTORS - GENERAL POWERS AND FUNCTIONS

- A.** The business and affairs of the Cooperative shall be managed by a Board of ten Directors which shall exercise all the powers of the Cooperative, except such as are by law or by the Articles of Conversion of the Cooperative or by the Bylaws, conferred upon or reserved to the members.
- B.** An outline of the Functions of the Board of Directors with respect to Legal Entities, Memberships' Interest and Operating Requirements and Controls, is attached to and made a part of this policy.

- A. Bylaws - Article III, Section 1
- B. Board Action - 3/27/62 - 1/29/91
- C. Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-2

SUBJECT: BOARD OF DIRECTORS – REPRESENTATION BY DISTRICTS

The territory served by the Cooperative shall be divided into two (2) Directorate Districts, each having five (5) Directors. District description and/or boundaries will be on display on the Cooperative system map, publicly displayed in each local Cooperative office.

The Board of Directors, at any regular or special meeting thereof, held not less than thirty (30) days prior to any Annual Meeting of the members or special meeting of the members held in lieu of such Annual Meeting, may, by resolution, alter the number and geographical boundaries of the several Districts with the aim of arranging more equitable Districting. Upon the submission of a petition signed by fifty (50) or more members of the Cooperative, the President of the Cooperative shall be required to call a special meeting of the Board of Directors to consider and take action upon the rearranging of the number and the geographical boundaries of the several districts to accomplish the purpose of the distracting provision. Notwithstanding any provisions of this section, a violation of such distracting provisions shall not invalidate or in any way affect or impair the validity of any corporate action. Any amendments shall be made according to the By-laws adopted in August 1990 the members.

DIRECTORATE DISTRICTS

The territory served or to be served by the Cooperative shall be divided into two (2) Districts. Each Director must be a member receiving service from the Cooperative and residing within the District from which he was nominated. The composition of the two (2) Districts and the number of Directors to be elected from each District shall be as follows:

District No. 1 - Tipton County, Lauderdale County and Fayette County, and those portions of Haywood County and Hardeman County which are South or West of the Hatchie River. Five Directors shall reside within this District. Beginning with the Director election in 1991 the first year of a three-year cycle, the election shall be for Position One and Position Five. In the second year of the three year cycle the election shall be for Position Two and Position Three. In the third year of the three-year cycle, the election shall be for Position Four.

District No. 2 - Madison County, Chester County, Henderson County, Crockett County and those portions of Haywood County and Hardeman County which are North or East of the Hatchie River. Five Directors shall reside within this District. Beginning with the Director election in 1991, the first year of a Three-year cycle, the election shall be for Position Three and Position Four. In the second year of the three year cycle the election shall be for Position Five. In the third year of the three-year cycle, the election shall be for Position One and Position Two.

Any amendments shall be made according to the Bylaws adopted in August 1990 by the members.

SUBJECT: LIST OF POSITIONS AND DIRECTORS

DISTRICT	POSITION	08/2020
1	1	MARILYN MEANS
1	2	DAVID KINNEY
1	3	ALLAN FERGUSON
1	4	TIM HANKS
1	5	DAVID MCDANIEL
2	1	TERI ROBINSON
2	2	ALLEN G. KING
2	3	ROBERT KENDRICK
2	4	AUDREY BLUE
2	5	JACKIE BUTLER

Bylaws – Article III, Section 1
As Amended 08/26/1955
As Amended 08/1990
Directorate Districts Action
12/18/1990
Reviewed: 08/1/2020

POLICY BULLETIN NO. 1-3

SUBJECT: QUALIFICATIONS FOR DIRECTORSHIP

A. OBJECTIVE

To assure the membership that the members nominated to be voted upon for service upon the Board of Directors of the Cooperative (a voluntary service group acting as Directors for and representatives of the membership) are generally qualified to carry out the viewpoints, objectives, formulate policy, develop plans, and insure their execution within the Cooperative.

II. POLICY, CONTENT AND PROVISION

B. The individual member that nominates an individual to be voted upon for election to the Board of Directors of the Cooperative should be aware of and should carefully and seriously consider the following legal requirements and personal qualifications before such a nomination is entered. That the person nominated from the geographical district provided for in the Bylaws:

1. Must be a member and a bona fide resident of that particular district area served by the Cooperative.
2. Should be willing to promote and safeguard the interests of the Cooperative among the members and the general public.
3. Will be required and therefore able to represent the membership on an impartial basis for the good of and in the best interests of the entire Cooperative.
4. Must not in any way be employed by or financially interested in any enterprise, primarily engaged in selling electrical energy, supplies, appliances, or other items as provided by the Bylaws of the Cooperative.
5. Must be willing to attend regularly scheduled and special meetings of the Board of Directors and to further attend national, state and meetings of the local organizations with associated interests that further the Cooperative movement together with Director training institutes or seminars which will aid in keeping them well informed on matters affecting the Cooperative.
6. Should be aware that members of the Board of Directors serve without salary and on a fee basis for time given to regularly scheduled and approved affairs of the Cooperative and in addition they will be reimbursed for all reasonable expenses in connection with such scheduled activities.
7. Should agree to serve the term of office for which elected until a successor has been appointed or elected.
8. Shall not use or cause to be used their position as Director to further their political ambitions.

9. Shall be at least eighteen years of age.

a. That service as a Director shall include the following responsibilities for growth and development, keeping themselves and others informed and participating in the decision-making process of the Board at all scheduled regular and special meetings.

- 1) To put forth the effort to improve abilities and understand the Cooperative's problems to provide the judgment required to make decisions in constantly changing circumstances that have a direct and indirect effect upon the Cooperative and to support all decisions and actions made or taken by the majority of the Board.
- 2) To conscientiously study the information contained in Board reports.
- 3) To contribute to the development of statements on functions and responsibilities of Board members and thereafter to become familiar with and strive to improve such statements.
- 4) To objectively evaluate and consider the questions and problems with which the Cooperative is faced.
- 5) To keep informed as to the aims and objectives of the Cooperative and to further study and analyze the policies, plans, and problems which result from efforts to achieve such aims and objectives.
- 6) To keep informed on, alert to and aware of the attitudes of the members and general public toward the Cooperative's objectives and policies.
- 7) To inform all interested persons about the Cooperative's viewpoints, objectives, programs and services.

C. Former employees becoming Directors, former Directors becoming employees.

(1) To balance the possible advantages and disadvantages of former employees serving as a Director, it is prohibited that any individual employed by the Cooperative or its subsidiaries during the preceding three years from becoming a Director.

A. This includes the Statewide Association of Electric Cooperatives, any G&T or other entity in which STEMC is a member

(2) To balance the possible advantages and disadvantages of former Directors becoming employees, it is prohibited that any individual who served as a Cooperative Director

during the preceding three years from becoming a Cooperative Employee.

C. This policy shall be in addition to existing provisions of the Articles of Incorporation and approved Bylaws and is intended to serve as a guide in keeping members informed

on their nominating and voting obligations.

III. RESPONSIBILITY

A. The President and the full Board should ensure that a copy of the provisions of this policy to be published periodically in the news media of the Cooperative.

B. The President is the chief executive officer of the Cooperative and is responsible for determining that this policy is adhered to and make known to interested persons at all times.

Board Action

3/27/62

4/23/91

Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-4

SUBJECT: BOARD OF DIRECTORS - PRESIDENT INTERRELATIONSHIP

I. OBJECTIVE

To establish the policy governing the basic relationship between the Board of Directors and the President, including the principles involving the delegation of authority.

II. POLICY

- A. It is recognized that good management is the most important factor to the success of the Cooperative. In the exercising of its management responsibilities, the Board of Directors reserves its authority to establish policy, approve plans and programs, and delegate authority to its President, except those rights that are by law, the Articles of Incorporation and Bylaws of the Cooperative conferred upon or reserved to its members.
- B. The Board of Directors recognizes its responsibility and its need to establish policies, approve plans and programs, and delegate authority to the President to execute and carry out its plans, programs and policies. The President shall, among other things, have authority to hire capable personnel within the approved wage and salary policy plan and established schedules, train and supervise, and when necessary, replace them.
- C. All policies of the Board of Directors shall be promulgated at regular and special meetings, acting collectively as a Board, and said policies shall be given the President by the Board Chairman. It further recognizes that, should any Director undertake in private conversation with others to make commitments for the Board of Directors, the Director becomes involved in a serious breach of policy which might disrupt the entire organization. The Board member may be subject to rebuke from his fellow Board members should he attempt to make commitments unofficially for the Board. Therefore, the Board of Directors shall adhere to the time-honored custom that its executive officer, the Board Chair, or in their absence the Vice-Chair, shall be spokesman for the Board, except in cases previously authorized by the Board.
- D. It shall be the policy of the Board of Directors to refrain, as individuals, from discussing management problems with the personnel of the Cooperative except in cases where the Board of Directors may deem it necessary to confer with personnel at regular or special meetings of the Board.
- E. It shall be distinctly understood that the flow of authority for the management of the Cooperative shall pass through the President, and the President shall be the connecting link between the Board of Directors and the employed personnel. The

Board of Directors shall require full and complete information from the President concerning all matters in connection with the management of the Cooperative as set forth in Board policies.

- F. Primarily, the purpose of this policy is to define the relationship that shall exist between the Board of Directors who are the elected representatives of the Cooperative members, and the President, who is employed by the Board of Directors. The Board of Directors recognizes that efficient management of the Cooperative can exist only through mutual understanding and complete cooperation between the Board of Directors and the President. The President is expected to produce results and give an account to the Board of Directors for their stewardship. Their performance cannot be of the best unless they are given latitude to exercise independent judgment in executing policies of the Board of Directors. The Board of Directors acknowledges that obligation and give the President that latitude of judgment and discretion, and expects faithful performance, in carrying out all the policies of the Board of Directors.
- G. The Board of Directors recognizes its responsibility for the employment of a President, and further the additional responsibility for a systematic appraisal and review of the President's performance of responsibilities in order that growth, development and effective improvement are encouraged. The Board may at its discretion enter into a contract for the services of a President.

III. RESPONSIBILITY

- A. The Board Chair of the Board of Directors shall be responsible for inviting the attention of Board members to non-adherence to this policy.
- B. The Board of Directors standing committee on Performance Evaluation will be responsible for the systematic appraisal of the performance of the President and the submission of their report to the full Board prior to the review and counseling session between the Board Chair and the President.
- C. The Board of Directors will be guided by the results of the most recent performance appraisal report and review and any changes in performance prior to approving the President's salary adjustment within the approved wage and salary plan and the corresponding schedule of rates.

Board Action
3/27/62;4/23/91
Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-5

SUBJECT: ORGANIZATION POLICY

I. OBJECTIVE

To provide for a sound, workable organization structure which will allow achievement of Cooperative objectives in the most effective and efficient manner. Cooperative objectives in the most effective and efficient manner.

II. GUIDES TO SOUTHWEST TENNESSEE EMC ORGANIZATION

- A. The basic organization structure will be determined by the overall objectives of the Cooperative. Departmental and other divisional objectives will be compatible with overall Cooperative objectives.
- B. The organization will be structured in such a way that individuals understand overall Cooperative objectives and how their individual efforts contribute to accomplishment of those objectives.
- C. The organization will be structured so as to encourage the accomplishment of objectives with the least cost and minimum undesired results.
- D. The organization structure will clearly define the relationships of authority and activities and will provide for accurate communication of decisions and other information.
- E. Activities will be grouped in a manner which results in the best employment of available resources and which will contribute most effectively to achieving Cooperative objectives.
- F. Assignment of responsibility will be clearly defined and will be accompanied by delegated authority enough to allow accomplishment of expected results.
- G. The number of levels of authority will be no more than are needed for effective pursuit of overall Cooperative objectives.
- H. Decisions affecting operations will be made at the lowest practicable authority level, and control tools and techniques will be adequate to provide enough information for effective managerial decision-making.
- I. Each individual normally will report to only one superior; functional authority will be restricted to the minimum necessary degree and will be clearly defined when delegated.
- J. Supervisors will have no more subordinates reporting to them than they can effectively manage.
- K. An individual having responsibility for auditing, inspecting or reviewing an operation or activity will not have a subordinate reporting relationship with and will not be controlled by the supervisor of the activity being audited, inspected, or reviewed.
- L. The organization structure will be sufficiently flexible to take human limitations into account and to encourage individual contributions to Cooperative objectives under changing business and social environments.

- M. The organization will be structured so as to create conditions conducive to the development of capable leadership within the Cooperative.

III. RESPONSIBILITY

- A. The Board of Directors is responsible for reviewing and approving a "Statement of Board Objectives and Functions" and for the position description of the President.
- B. The President is responsible for continued development and maintenance of an effective, efficient organization structure in accordance with the guidelines described in this policy.

Board Action
9/25/79
4/23/91
Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-6

SUBJECT: MEETINGS OF DIRECTORS

A. REGULAR MEETINGS

1. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the Annual Meeting of the members or as soon thereafter as conveniently may be, at such site as selected by the Board in advance of the annual member meeting.
2. A regular meeting of the Board of Directors shall be held monthly at such time and place in the Cooperative's area as the Board may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

B. DATE AND PLACE OF REGULAR MEETING

1. The regular monthly meeting of the Board of Directors will be held at the Cooperative's office in Brownsville, Tennessee on the last Tuesday of each month at 8:00 A.M. CST.

C. SPECIAL MEETINGS

1. Special meetings of the Board of Directors may be called by the President or any three (3) Directors, provided required notice of such meeting is given in accordance with Article V, Section 5.03 of Bylaws.

D. QUORUM

1. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If less than a majority of the Trustees is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

E. MANNER OF ACTING

1. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

A, C, D, & E: Bylaws - Article V

B - Board Action: 9/26/40; 1/29/63; 4/23/91

Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-7

SUBJECT: BOARD MEETING ATTENDANCE

- A. STEMC members and others may attend and observe meetings of the Board of Directors, subject to the following conditions:
1. A majority of the director's present may close the meeting at any time during which members or others are in attendance whenever, in the judgment of the Board, any matter to be acted upon or discussed requires private deliberation.
- B. Individuals may request to be heard by the Board of Directors regarding any suggestion or complaint concerning the Corporation's practices or procedures, upon the following specific conditions:
1. The individual(s) must have presented the suggestion or complaint to the management staff and must have attempted to resolve the matter through the President at least 15 business days prior to the next step.
 2. If the President is unable to resolve the matter satisfactorily and further action is desired by the individual(s), they must present a written request to the President for an appearance before the Board of Directors, stating specifically the nature of the suggestion and the specific action requested of the Board of Directors.
 3. The individual(s) will then be invited to attend a specific meeting of the Board of Directors. The individual(s) will be allotted a reasonable amount of time, as determined by the Chair, to make their presentation. The Board will deliberate the matter in private and the President will promptly notify the individual of the Board's decision.
- C. The President and the Board of Directors shall be responsible for the administration of and adherence to this policy.

Board Action: 2/29/2008
Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-8

SUBJECT: BOARD OF DIRECTORS - QUALIFICATIONS AND TENURE

A. QUALIFICATIONS

To become or remain a Director or to hold a position of trust in the Cooperative, a member

1. must be a bona fide resident of the area served by the Cooperative;
2. must be a citizen of the United States;
3. must be at least eighteen years of age;
4. must not be employed in any way by or be financially interested in a competing enterprise or business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances fixtures or supplies to members of the Cooperative;
5. must not be an incumbent of or candidate for an elective public office where full time is devoted for which a full-time salary is paid.

When a membership is held jointly by a husband and wife, either one not both, may be elected Director, provided that both husband and wife meet all the requirements of this section.

B. TENURE

Three or four directors, according to term expirations of incumbent directors, from each of the two (2) Districts shall be elected at each Annual Meeting to serve for a period of three (3) years or until their successors are elected, subject to the provisions of the Bylaws with respect to the removal of Directors.

Bylaws - Article IV
Board Action: 4/23/91
Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-9

SUBJECT: REMOVAL OF DIRECTORS OR OFFICERS

A. REMOVAL OF OFFICERS BY DIRECTORS

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will be served thereby.

Omitted from Bylaws
Board Action: 4/23/91
Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-10

SUBJECT: BOARD OF DIRECTORS - VACANCIES

A. DIRECTORS

Subject to the provisions of the Bylaws, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Directors and Directors thus elected shall serve until the next Annual Meeting of the members or until their successors shall have been elected; PROVIDED, HOWEVER, that any vacancy shall be filled by a successor Director who is a member residing in the same voting District as his predecessor Director. (See Policy 1-9)

B. OFFICERS

A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term except as otherwise provided by the Bylaws. (See Policy 1-9)

A. Bylaws - Article IV, Section 4.08

B. Bylaws - Article VI, Section 6.04

Board Action: 4/23/91

Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-11

SUBJECT: BOARD OF DIRECTORS TRAVEL, COMPENSATION AND EXPENSES

Section 4.10 of Article IV of the Cooperative's Bylaws authorizes payment of compensation for Board member attendance at meetings of the Board and for the performance of their duties otherwise. By this Policy No. 1-11, the Cooperative establishes the standards and methods for paying such compensation and the conditions applying thereto, as follows:

- A. Directors, as such, shall not receive any salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses, if any, may be allowed for attendance at each meeting of the Board of Directors or for attendance at any other meeting while on Cooperative business approved by the Board of Directors. (A Board or committee meeting shall be a meeting where business may be officially conducted, including telephone conference meetings, except a meeting at a fixed location will still qualify as a meeting if its incapability to conduct official business is due solely to the absence of a quorum).
- B. Directors shall receive \$250.00 per diem for attendance at each Board meeting or other meeting authorized by the Board, plus 90% of the IRS allowance rounded up to the nearest penny in effect for use of personal vehicles for attending such meeting.
- C. Directors authorized or delegated to attend meetings on Cooperative business shall receive, in addition to the per diem rate, advancement or reimbursement for any travel and out-of-pocket expenses, actually, necessarily and reasonably incurred in performing their duties.
 - 1. Expenses for meals shall be \$50 per day. If any meals are provided by others, an amount of \$10 for a breakfast, \$10 for a lunch or \$30 for a dinner shall be deducted from the meal allowance.
 - 2. Travel may be made by plane or car. The reimbursement costs of driving shall not exceed the price of the lowest airfare for the one or more persons traveling by car. Travel expense (Taxi, Rental Car, etc. at the meeting site) avoided by the use of the car is to be approved by the Travel Committee and to be added to the airfare.
 - 3. Directors shall receive a per-diem and expenses as described above for one travel day to and one travel day from approved meetings. (A day begins at 12 midnight at the Board member's premises served by the Cooperative and ends 24 hours later in going and begins at 12 midnight at the meeting or other activity site and ends 24 hours later in returning).
 - 4. Rental car expenses may be claimed only for the days of business-related meetings. For all other days, if any, the use of such vehicle shall be paid for by the Director.

5. Company vehicles may be used for travel to, from and at meetings using the most convenient route. Any other travel shall be reimbursed to the Cooperative at the mileage rate in effect at that time.
 6. The Cooperative shall not pay for any entertainment for the Director.
- D. As stated in Policy Bulletin 1-12.
- E. No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative.
- F. All compensation paid under this policy shall, if the total thereof by law requires, be reported on IRS Form 1099 and a copy is to be furnished to each board member in a timely manner.

Board Action: 02/01/2012
12/30/2014
11/01/2021
Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-12

BOARD OF DIRECTOR HEALTH INSURANCE COVERAGE

A. TREATMENT OF EXISTING DIRECTORS, AS OF JANUARY 1, 2018

All Members of the Board of Directors, actively serving on the Board on January 1, 2018, who are also covered under the Cooperative health insurance plan as of that date, may remain on the health plan for as long as they continue to actively serve on the Board. Directors covered under the plan will pay the same premium amounts that are charged to active employees.

Once an active Director reaches the age of 65, they may elect to terminate coverage under the health plan and obtain Medicare coverage, including Medicare supplement coverage. The Cooperative will reimburse active Directors for the cost of their individual Medicare supplement coverage premium(s), up to \$500 per month.

Active Directors may elect coverage under the Cooperative dental and vision insurance plans, under the same guidelines and cost, as that of existing active employees.

All coverages are subject to the rules, regulations, and guidelines of the insurance provider.

B. TREATMENT OF FUTURE DIRECTORS, BEGINNING SERVICE AFTER JANUARY 1, 2018

All Directors who begin actively serving on the Board after January 1, 2018, and who are under the age of 65, may elect to be covered under the Cooperative health insurance plan until they reach the age of 65. Directors covered under the plan will pay the same premium amounts that are charged to active employees.

Once a Director, who qualifies under section "B", reaches age 65, they must terminate coverage under the Cooperative health plan and obtain Medicare coverage. The Cooperative will reimburse these Directors for the cost of their individual third-party Medicare supplement coverage premium(s), up to \$500 per month. Dependents, if any, who were also covered under the plan, will be offered COBRA coverage to begin when the active Director terminates coverage under the plan at age 65.

Directors who begin actively serving on the Board after January 1, 2018, and who are age 65 or over when they begin serving, are not eligible for coverage under the Cooperative health plan. They will, however, have the cost of their individual third-party Medicare supplement coverage premium(s) reimbursed by the Cooperative, up to \$500 per month.

Active Directors may elect coverage under the Cooperative dental and vision insurance plans, regardless of age, under the same guidelines and cost, as that of existing active employees.

All coverages are subject to the rules, regulations, and guidelines of the insurance provider.

C. TREATMENT OF DIRECTORS TERMINATING SERVICE

A Director terminating their service on the board, who at that time, is covered under the Cooperative health plan, will receive one additional month of health insurance coverage beyond their last month served. The cooperative will pay for the final two months of coverage, including any employee share, if applicable. Following the additional month, the former Director, including any covered dependents, will be offered COBRA.

For example, for a Director terminating in August, coverage will continue through the end of September. The cooperative will pay the full cost for August and September coverage, including any employee share for coverage, if applicable. COBRA will be offered, to become effective on October 1. The former Director will be responsible for the full cost of COBRA coverage.

A Director terminating their service on the board, who at that time, is not covered under the Cooperative health plan, and is age 65 or over, will receive reimbursement for the cost of their individual Medicare supplement coverage premium(s), up to \$500 per month for the final month served.

All Directors terminating their service on the board, who also participate in the Cooperative Dental and/or Vision plans, will have their coverage terminated in these plans as of the end of the last month served on the board.

Board Action: 10/31/2017
REVISED: 01/28/2020
REVISED: 01/01/2022

POLICY BULLETIN NO. 2-3

SUBJECT: EMERGENCY CURTAILMENT OF SERVICE

- A. The Cooperative will include as a part of its operation contingency plan a provision for the curtailment of service in the event of conditions which create or threaten to create an inability of the Cooperative to satisfy the demand on its distribution system.
- B. Such provision as described above will incorporate the following characteristics and criteria, as well as other requirements or restrictions which may be determined by the Board of Directors, President, and Staff.
 - 1. Curtailment of service will be planned and implemented in such a manner as to minimize inconvenience and hardship for the greatest number of consumers, while ensuring that the objectives of the plan are met.
 - 2. The curtailment plan will provide for the exclusion of certain types of services which are determined to be vital or necessary for maintenance of the public health, safety and welfare.
 - 3. The curtailment plan will provide for an appeal procedure whereby individual consumers may request variance or exclusion from the plan. Such procedure will provide for rapid and equitable judgment based insofar as possible upon predetermined criteria.
 - 4. The curtailment plan will provide for corrective, penalty and punitive measures to be applied in the event of failure to comply with the provisions of the plan.
- C. A copy of the curtailment plan will be maintained in the Cooperative's Organization File.

Board Action:

5/2/78

5/28/91

Reviewed: 01/28/2020

POLICY BULLETIN 2-4

SUBJECT: ASSISTANCE TO UTILITIES IN EMERGENCIES

- A. Assistance may be given to other utilities in cases of emergency when, in the opinion of the President, such assistance will not jeopardize the continued operation of the Cooperative.
- B. In cases of emergency within the service area of Southwest Tennessee Electric Membership Corporation, the President may request assistance from other utilities and if considered necessary may employ temporary personnel during such emergencies.
- C. The President will report to the next meeting of the Board of Directors, assistance given or received under paragraphs A and B above.

Board Action:

1/29/63

5/28/91

Reviewed: 01/28/2020

POLICY BULLETIN 2-5

ISUBJECT: AREA COVERAGE

It is the desire and intent of the Cooperative to make electric service available to all persons residing in the Cooperative's Service Area at the earliest possible date, consistent with sound economy and good management.

To provide fast and consistent pricing to customers for certain jobs, the following items are set. Specific pricing shall be outlined in the "Standard Construction Pricing and Procedures" operating procedure and reviewed annually. Any other items shall be quoted at actual estimated costs pertaining to the specific job. All pricing shall be approved by the Vice President of Engineering.

RESIDENTIAL APPLICATIONS

1. General
 - a. This section is intended to address single phase residential services. Three phase services shall be priced as outlined in General Power Applications.
 - b. Non-minimum bill amounts are to be paid prior to construction. In all instances, the member is responsible for the initial clearing of the right of way and all other ordinary fees and deposits.
 - c. Contracts for permanent residences shall be priced as follows:
2. Overhead Extensions
 - a. Members shall be allowed one pole free.
 - b. Additional poles shall be offered at a rate equal to the average cost of like construction.
 - c. Overhead secondary services meeting STEMC standards shall be free.
3. Underground Extensions
 - a. Member is responsible for excavating the ditch as well as placing conduit and elbows per STEMC's specifications.
 - b. Member shall be allowed the first 300 feet of underground primary for free.
 - c. Single phase underground primary in excess of 300 feet shall be installed at the average cost to install cable and connections. This cost shall be established on a per-foot basis of that amount exceeding 300 feet.
 - d. Member shall be allowed the first 150 feet of underground secondary for free.
 - e. Single Phase underground secondary in excess of 150 feet shall be installed at the average cost to install cable and connections. This cost shall be established on a per-foot basis of that amount exceeding 150 feet.
4. Metering
 - a. Instrument rated metering will be provided and installed at no cost and shall only be installed when the service entrance exceeds 400A or 240V.

RESIDENTIAL MINIMUM BILL

5. General

- a. Minimum bill shall not be applicable for any installation other than NEW RESIDENTIAL and may be subject to corporate approval.
- b. In lieu of advance payment, residential members may sign a 36-month contract with a bill provision based on the monthly cost structure below. These charges shall be considered a base charge and monthly usage will be in addition to these charges.

6. Overhead Extensions

- a. Member shall receive the first pole free.
- b. Member shall pay a monthly charge equal to the estimated overhead costs detailed in the "Standard Construction Pricing and Procedures" operating procedure divided by the 36- month contract term.

7. Underground Extensions

- a. Member shall receive the first 300 feet of primary and 150 feet of secondary for free.
- b. Member shall pay a monthly charge equal to the estimated underground costs detailed in the "Standard Construction Pricing and Procedures" operating procedure divided by the 36-month contract term. The bill provision shall be established on a per-foot basis of that amount exceeding 300 feet of primary and 150 feet of secondary.

GENERAL POWER APPLICATIONS UNDER 1000 kW

8. General

- a. This section is intended to address small general power applications with minimal impact on the electric system as a whole.
- b. Contracts for general power shall be priced as follows:

9. Overhead Extensions Single Phase and Three Phase

- a. Poles shall be offered at a rate equal to the average cost of like construction.
- b. Overhead secondary service meeting STEMC standards shall be free.

10. Underground Extensions Single Phase and Three Phase

- a. Member is responsible for excavating the ditch as well as placing conduit and elbows per STEMC's specifications.
- b. Underground primary shall be installed at the average cost to install cable and connections. This cost is to be established on a per-foot basis.
- c. Underground general power secondary services shall be owned and constructed by member.

11. Metering

- a. Instrument rated metering will be provided and installed at no cost and shall only be installed when the service entrance exceeds 400A or 240V.

12. Line Conversions

- a. Member requested line conversions from single phase to two phase or three phase shall be installed at the average cost to provide the required service. If STEMC decides to make line improvements above what is required to provide service, the additional costs shall be covered by STEMC.

13. Transformer Bank Installations

- a. Two phase and three phase transformer bank installations shall be installed at a rate equal to the average cost to install like transformers and make all necessary connections.
- b. If a transformer bank is to be installed during a line extension, transformer bank shall be installed at half the rate above.

GENERAL POWER APPLICATIONS OVER 1000 kW

- a. This section is intended to address large general power applications with potential system impacts that may require additional upgrades or improvements beyond what is necessary to reach the point of service.
- b. In general, standard pricing should mirror the process in General Power Applications Under 1000 kW.
- c. In addition, these applications are subject to negotiations and adjusted pricing that accounts for system impact and economic development.
- d. All applications meeting these criteria require approval from corporate engineering.

NOTES:

- i. Any pricing above for underground installations assumes members will install conduit per Operating Procedures UNDERGROUND PRIMARY EXTENSION and UNDERGROUND RESIDENTIAL SERVICE. Direct burial method may only be used in special circumstances at the discretion of STEMC Engineering and cost will be calculated as-if General Power, regardless of application.
- ii. STEMC will not coordinate the opening of ditches or installation of conduit. Digging and conduit Installation shall be the responsibility of the member.
- iii. Contracts are to be secured by, but not limited to cash, bond, CD, Trust Deed, Letter of Credit, or other acceptable arrangements.

Board Action: 11/29/1988

Reviewed 5/29/1991; 8/27/2002;

4b. added 1/27/2009

Reviewed 01/28/2020

Revised 03/25/2022

POLICY BULLETIN NO. 2-6

SUBJECT: RELOCATION OF LINES

POLICY:

1. HIGHWAY DEPARTMENT

- a) In cases where the Cooperative lines are located on highway right-of-way or on property donated to the highway department for the purpose of road improvement, the Cooperative will move said lines at the expense of the Cooperative, provided that the highway department and/or land-owner will give the Cooperative right-of-way easements for the new power line location.
- b) In cases where the highway department right-of-way is purchased for road improvement, the Cooperative shall make a charge for the expense of moving or relocating any lines already constructed on said right-of-way.

2. OTHER

- a) The Cooperative shall relocate its lines when deemed necessary by the Cooperative provided that:
 - 1) Lines relocated for the convenience or benefit of the Cooperative will be relocated at the expense of the Cooperative.
 - 2) Lines relocated for the sole convenience or benefit of persons or agencies, other than the Cooperative, will be relocated only upon written request and agreement by the interested parties that they will reimburse the Cooperative for all expenses incurred by the Cooperative in relocating said lines.

Board Action: 5/29/51
Reviewed: 01/28/2020

POLICY BULLETIN NO. 2-7

SUBJECT: METER LOCATIONS

RESIDENCES

1. The Cooperative will not install electric meters on inside locations.
2. All meter centers shall be located or spotted by a duly authorized representative of the Cooperative.

When locations become vacant where meters are installed on inside locations, service shall be disconnected, and an effort shall be made to remove such meters. Meters will not be reinstalled, or consumer reconnected until property owner or member moves the meter center to an approved location on the outside of said building.

POLE METERS

1. At the option of the Cooperative, meter installations may be made on Cooperative poles, located on customer's premises. The cost of such installation will be borne by the Cooperative.
2. The Cooperative will make only one service connection (maximum 150") from the meter pole installation to the customer's premises. The cost of all other services or connections to the premises will be borne by customer.

Board Action: 5/29/51
Reviewed: 01/28/2020

POLICY BULLETIN 2-8

SUBJECT: LINE EXTENSION INTO/WITHIN SUBDIVISIONS

1. The Cooperative will build the primary electric system required to provide service economically within a subdivision or to expand service within a subdivision when the Owner or Developer (Developer) of the subdivision supplies an appropriate Contribution in aid of construction (Contribution) toward the costs of the system.
2. Required Upgrades
 - a. Developer shall be responsible for estimated costs to upgrade existing lines to serve the subdivision if necessary.
 - b. Developer shall be responsible for estimated costs to add or modify structures along existing right of ways to accommodate planned subdivisions.
 - c. Developer shall be responsible for estimated costs to extend existing facilities to reach the development.
 - d. All processes below assume sufficient facilities exist up to the planned development.
3. Overhead Subdivisions
 - a. Subdivisions in which an overhead primary extension is requested shall require the following Contributions:
 - i. A per pole Contribution from the Developer in the amount of half the estimated cost to construct the extension.
 - ii. A one-time engineering fee equal to the estimated cost to design, produce drawings, and perform staking.
 - b. Lighting – Overhead lighting costs shall follow the normal operating procedure for city lighting. If subdivision is located outside the city limits, a HOA or similar account must be established, and Developer shall be responsible for 100% of installation costs up front.
4. Underground Subdivisions
 - a. Subdivisions in which an underground primary extension is requested shall require the following Contributions:
 - i. A per lot Contribution.
 - ii. A per foot Contribution multiplied by the estimated quantity of underground primary cable.
 - iii. A one-time engineering fee equal to the estimated cost to design, produce drawings, and perform staking.
 - iv. The per lot and per foot Contributions should equal half the estimated installation costs.
 - b. Conduit installation – Developer is responsible for total cost of conduit installation. This applies to both developer installed conduit and STEMC installed conduit. In addition, developer will be required to place duct for smart grid communications. STEMC shall be responsible for the actual cost of duct. STEMC shall offer a rebate relative to cost of the installation of

other communications facilities such as vaults. Developer has the option to decline rebate and opt out of installing communications facilities other than conduit.

- c. STEMC will provide, at no cost to the developer, all ground sleeves, vaults, transformer pads/sleeves, junction boxes, and service vaults. This includes fiber enclosures. Concrete pads shall not be provided by STEMC.
 - d. Standard Lighting – Developer shall pay a Contribution per light for standard lighting. This contribution should be approximately 25% of the cost of installation. The remaining costs will be applied to the city's account. If subdivision is located outside of city limits, Developer is responsible for 100% of installation costs and a HOA or similar account shall be established.
 - e. Decorative lighting – Southwest TN EMC offers several decorative lighting options. If Developer wishes to install one of these options, Developer is responsible for 100% of material costs up front.
5. Prior to extending service into/within any subdivision, the Developer shall execute an Agreement and provide Contribution.
6. Standardized costs based on this policy shall be reviewed annually and outlined in the "Subdivision Pricing and Procedures" operating procedure. Pricing shall be approved by the Vice President of Engineering.

Board Action:

6/27/78

7/31/2018 Reviewed:

01/28/2020 Revised:

03/25/2022

POLICY BULLETIN NO. 2-9

SUBJECT: SECURITY LIGHT SWITCHES AT MEMBERS REQUEST

STEMC will continue to provide this service at a fee to the member.

Price as listed:

- \$75.00 Aid to Construction charged to work order
- \$35.00 Connection Fee
- \$110.00 Total Charge

If member requests underground wiring to the light, the member is responsible for providing the trench and 1" conduit to the light pole.

SEE "SL SWITCH" ATTACHMENT"

Reviewed 01/28/2020

SECURITY LIGHTING AGREEMENT

Southwest Tennessee Electric Membership Corporation (hereinafter called the "Cooperative")

and _____

whose address is _____ a

member of the Cooperative, and _____

Property Owner, agree as follows:

The Cooperative, subject to its Schedule of Rules and Regulations, which are made a part of this Agreement, agrees to furnish, install, maintain, and furnish electricity for _____ outdoor lighting fixture(s), at a location jointly agreed to by the Member and/or Property Owner, and the Cooperative.

The Member and/or Owner shall furnish, without expense to the Cooperative, a suitable site and location for the pole, guys, conductor, and all other equipment necessary to the installation of said lighting fixture(s). The Cooperative shall have full rights of ingress and egress for the installation, maintenance, and operation of said lighting fixture(s).

The Member agrees to pay a connection fee of thirty-five dollars (\$35.00) or such amount as may be determined from time to time by the Board of Directors of the Cooperative. Such connection fee shall apply at the time security light service initially is requested by the Member. Such connection fee also shall apply whenever the Member requests restoration of security light service subsequent to termination of security light service at the Member's request. The above described security light connection fee shall be considered paid if it is connected or energized during the same service call when a connection fee has been paid for a new service to be connected. For rental property the Member agrees to pay the first year in advance prior to connection.

The Member agrees to pay for the Outdoor Light service in accordance with the rates, charges and provisions of Distributor's Outdoor Lighting Rate - LPI, as modified or replaced from time to time by agreement between the Distributor and the Tennessee Valley Authority. This schedule provides for adjustment of the annual investment charge to reflect proper cost borne by Southwest Tennessee EMC.

The above charges are limited to service from a photo-electrically controlled standard street lighting fixture installed on a pole already in place. If the Member and/or Owner wishes to have the fixture installed at a location other than on a pole already in place, the Cooperative will apply a monthly charge of \$ 3.00 per pole for each additional pole or poles required to serve the fixture from the Cooperative's nearest available source.

The Member agrees to pay the above rates, as adopted or reviewed by the Board of Directors, plus Tennessee Sales Tax, if applicable, to be billed and become a part of and paid with the regular monthly bill, and subject to the same rules and regulations governing the payment of the regular bill.

Burned out lamps will be replaced by the Cooperative during regular working hours as soon as possible after notification by the Member, at no additional charge. Broken lamps or other damages to the fixture, except damages caused by acts of providence, will be paid for by the Member. Member will use and exercise reasonable diligence to protect the light and fixtures from acts of vandalism.

The lighting fixture(s) shall remain the property of the Cooperative and may be removed by the Cooperative at the termination of this agreement. If the Member desires a new location for an existing fixture, there will be a reasonable service charge determined and/or adjusted as necessary by the Board of Directors for relocating the fixture.

This Agreement shall become effective on the date service is first delivered by the Cooperative to the Member and shall remain in force and effect for a period of one year; and thereafter may be renewed from year to year. After the first year, agreement may be cancelled and terminated by mutual agreement, or upon thirty days written notice by either party to the other party.

This contract and agreement made and entered into on this _____ day of _____ 20____.

TYPE FIXTURE _____ **SOUTHWEST TENNESSEE ELECTRIC MEMBERSHIP CORPORATION**

LAMP SIZE _____

POLE CHARGE _____ **BY** _____

STATE TAX _____

TITLE _____

DATE INSTALLED _____

ACCOUNT NO _____ **MEMBER** _____

LAMP NO _____

W.O. NO. _____

PROPERTY OWNER _____

POLICY BULLETIN NO. 3-5

SUBJECT: MEMBERSHIP FEE

- A. The membership fee shall be \$5.00.
- B. All other aspects of membership are governed by the Bylaws, adopted August 10, 1990.

Board Action:

8/13/82

5/28/91

Reviewed: 01/28/2020

POLICY BULLETIN NO. 20-1

SUBJECT: SERVICE AND RATE INFORMATION FOR CONSUMERS

I. AVAILABILITY

- A. Information regarding rates for electric service and the service policies and practices of the Cooperative will be made available (1) to prospective members making application for service and (2) to any member upon request. Rates are published monthly on STEMC's website: www.stemc.com
- B. Upon the request of the consumer, the Cooperative will furnish the consumer with their monthly kWh consumption for the prior twelve-month period. Members may access their monthly consumption online at any time by accessing STEMC's website: www.stemc.com and creating a "My Usage" usage monitor account.

II. PUBLIC NOTICE

- A. Availability of service and rate information and any rate action initiated by STEMC will be publicized by means of public display on our company website www.stemc.com, upon request in each district office, and in notices in the Southwest edition of the Tennessee Magazine.
- B. If reasonably possible, at least thirty days prior to implementation, proposed significant changes in service policies will be publicized in the same manner as in A, above.

Board Action: 11/27/79
3/31/92
4/28/15

Reviewed: 01/28/2020

POLICY BULLETIN NO. 20-2

SUBJECT: MEMBER REQUESTS FOR COOPERATIVE INFORMATION

The purpose of this policy is to establish the rules and procedures to be followed in response to requests from members for Cooperative information.

Requests from members for Cooperative information shall be governed by the following rules and procedures:

1. Any request (other than requests for such routine things as monthly kWh consumption, rate schedules, Rules and Regulations, Articles of Incorporation, Bylaws, Board of Directors Policies, Operational Bulletins, newsletters, etc.) shall be made in writing by the requesting member filling out and signing a Member Information Request Form is substantially the form attached hereto and made a part of this policy.
2. The request form as executed will be reviewed as soon as possible by the President. If the President concludes (1) that the request is in good faith, (2) that the information requested and the purpose for which it is requested are materially germane to the requesting person's status and interests as a member of the Cooperative, and (3) that furnishing the requested information will not be adverse to the Cooperative's best interests, they may provide for the time and manner for making such information available during the appropriateness of granting the request based upon any of the foregoing three factors, the matter shall be referred to the Board of Directors for a decision.

Information that will not be furnished except pursuant to a court order is set forth following:

1. Hourly wages or salaries and fringe benefits of specific employees; or
2. The personnel file or records of any employee or of any other person if disclosure of information from such file or records would violate subparagraph 2 above or would otherwise entail, or run significant possibility of entailing, an invasion of the privacy of such employee or person; or
3. Any information which constitutes a trade secret, process, program, trademark, or other legally protectable confidential information or thing owned or protected in confidentiality by contract by the Cooperative.

The President may, if deems it appropriate, consult with the Attorney of the Cooperative, the Board Chair or other officers of the Cooperative, and the Board of Directors before making determination on any request for information submitted by a member.

It will be the responsibility of the President and staff to implement this policy, in coordination with the Attorney of the Cooperative. In no event should "non-routine" information or data be released except under prior consultation of the President. It shall be the responsibility of the Board of Directors to implement this Policy when member information requests are submitted to it for consideration and decision as herein provided for.

RESPONSIBILITY: PRESIDENT AND BOARD OF DIRECTORS

Board Action:
2/24/87
3/31/92
Reviewed: 01/28/2020

POLICY BULLETIN NO. 20-6

SUBJECT: INDUSTRIAL DEVELOPMENT

Donations may be made to local chambers of commerce in areas where the chamber's geographical area primarily covers Southwest service territory. Currently, these are the Chester County Chamber and the South Tipton County Chamber.

To qualify for a donation, the chamber must provide an annual plan of economic development demonstrating how the funds will be used to recruit potential businesses or industries to our service area. The chamber must comply with the requirements of Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.

The Chamber will be eligible for matching funds from TVA provided they meet any requirements specified by TVA to qualify for those funds.

The total amount budgeted for industrial development during Fiscal Year 2019 is \$12,000. The maximum amount available for any individual chamber for Fiscal Year 2019 will be \$3,000 each plus any applicable TVA matching funds.

Outside of chamber donations, budgeted industrial development funds will be available for expenditures as part of direct efforts by Southwest to recruit large commercial or industrial customers to our service territory. These funds require the approval of the Cooperative President to disburse. Types of expenses to be funded may include engineering, legal, or other consultant studies intended to provide information related to new businesses or industry locating in our service area. Additionally, expenses may include such items as travel or meals, where necessary, for Southwest staff while working to recruit potential large customers.

Additionally, Southwest may choose to become a dues-paying member of the local chamber(s). The amount of the annual dues' expenses will be counted against the annual budgeted amount for industrial development.

Board Action: 06/22/2018

Reviewed: 01/28/2020

POLICY BULLETIN NO. 20-7

SUBJECT: COMMUNITY SUPPORT DONATIONS

Donations of up to \$2,500.00 each may be made to certain organizations or sponsored events within our service territory. To qualify, the organization must be one of the following:

1. a designated 501 (C)(3) non-profit charity
2. local schools
3. local government organization or agency
4. local chamber of commerce sponsoring a community event

The donation must be approved by the Cooperative President and must serve a public purpose or otherwise provide benefit to Southwest members. The organization to receive the donation must provide documentation for the intended use of the donated funds. Total Community Support funding is limited to the amount specified in the Cooperative's annual budget. For Fiscal Year 2019 the total amount budgeted for Community Support is \$8,000.

CoBank has a "Sharing Success" program that provides matching funds for donations to 501 (C)(3) charities, schools, and local government organizations. CoBank will match up to three donations made by the Cooperative each year. Matching is available for Cooperative donations between the amounts of \$1,000 to \$5,000.

Board Action: 06/22/2018
Reviewed: 01/28/2020

POLICY BULLETIN NO. 21-1

SUBJECT: DEPOSITS

I. GENERAL

- A. Nondiscrimination -- Deposit policies will be applied without regard to race, color, creed, sex, age, national origin or marital status.
- B. Additional deposits will not be required for existing residential customers **when relocating** if they have had service with STEMC for a minimum of twelve (12) months and a pay rating of Normal or better. A member relocating must activate their new service within six months of terminating their existing service to qualify for no additional deposit.
- C. Additional locations for existing members will require an appropriate deposit.

II. AMOUNT OF DEPOSITS - RESIDENTIAL AND GENERAL POWER ACCOUNTS

- A. Residential Minimum \$400.00

Not to exceed two times the class average highest monthly bill in a five-year period.

- B. General Power

- 1. A maximum deposit equal to 2 times the estimated average monthly bill may be required before electric service is supplied.
- 2. Temporary Service for Construction: \$0.00 deposit during construction. At the point the permanent meter is set, the deposit will fall under the above paragraph, II.B.1. (a maximum deposit equal to 2 times the estimated average monthly bill).

III. DEPOSIT ALTERNATIVE

Residential or Non-Demand General Power may participate in FLEX-PAY in lieu of providing a deposit.

IV. PAYMENT OF INTEREST

A. Residential, General Power and Seasonal Accounts - Interest will be paid on Customer Deposits in accordance with the following criteria:

1. The deposit has been held for a period of at least six (6) months.
2. The deposit is equal to or greater than one month's average bill.
3. The payment shall be in the form of a credit to the customer's electric account.
4. The interest rate shall be set the last Tuesday of October and will be calculated based on board approved market rates of interest on passbook savings accounts.
5. Interest will be calculated on the balance of the deposit at November 30th each year and credited to the customer's electric account in December of the same year.
6. The deposit balance including earned interest is subject to review by the customer and by STEMC.

B. For deposits of \$1,000.00 or greater, a member may provide a bank certificate of deposit with Southwest listed as sole owner. Certificates of deposit shall be automatically renewable. The interest will be credited to member's account when received by STEMC.

V. REFUND OF DEPOSIT

A deposit for an account, including earned interest, or remaining portion after crediting to the account, shall be refunded if the member has terminated service and full payment of all amounts due for said account have been settled.

VI. CASH ALTERNATIVES

A. Service security other than cash may be considered when "Agreement for Purchase of Power" contracts are required for service.

- B. Members may also provide a bank Letter of Credit or Surety Bond for deposits greater than \$1,000, subject to STEMC approval of the issuing bank, insurance company, or bond company.

Board Action:

03/25/80	09/28/93	03/26/13
12/30/80	03/30/99	04/28/15
02/22/83	03/27/01	09/24/19
01/29/91	01/29/01	Reviewed: 01/28/2020
05/28/91	01/29/02	
06/30/92	02/29/08	
03/30/93	10/27/09	

POLICY BULLETIN NO. 22-1

SUBJECT: CONNECTION AND RECONNECTION FEES AND COLLECTION FEES

I. NORMAL BUSINESS HOURS

A minimum service fee of thirty-five dollars (\$35.00), effective January 1, 2015, will be collected whenever a service is connected during the Cooperative's normal business hours. This fee applies to all classes of customers and to all types of connections.

II. OTHER THAN NORMAL BUSINESS HOURS

A minimum service fee of thirty-five dollars (\$35.00), effective January 1, 2015, will be collected whenever a service is connected outside the Cooperative's normal business hours with no reconnections being made after 11:00 p.m. This fee applies to all classes of customers and to all types of connections.

III. Re-connections of services which have been disconnected due to non-payment will bear the same charges as provided in I. and II. above.

IV. If an employee of the Cooperative has been instructed to disconnect a customer's service because of non-payment and while the employee is in route to or having arrived at the service location, payment is made for the service, a fee of an appropriate amount, effective January 1, 2015, will be collected. This does not apply after the meter has been removed or service otherwise has been terminated.

V. A fee of an appropriate amount will be collected for each check returned by the bank. See Office Procedures Manual for dates and amounts.

VI. A fee of \$10.00 will be added to any bill for which any extension or upon any agreed to special arrangement.

Board Action:

2/22/83	06/24/2008
11/18/86	01/27/2009
1/29/91	08/29/2014
12/30/97	Reviewed: 01/28/2020
08/27/02	

POLICY BULLETIN NO. 23-1

SUBJECT: BILLING

I. BILLING PERIOD

Bills for electric service will be rendered monthly.

II. PAYMENT

- A. Payment will be accepted at any District Office of the Cooperative and at any establishment authorized by the Board of Directors as a collection agent for the Cooperative.
- B. Payment for electric service will be due no later than the fifteenth day following the date of the bill, provided, however, that if the due date falls on a Saturday, Sunday or a holiday observed by the Cooperative, the next following business day will be held as a day of grace for delivery of payment.
- C. A payment received by mail will be considered paid on the date that it is actually received, via mail delivery, at the Cooperative or at its designated collection agent.
- D. Late Payment and Delinquent Accounts
 - 1. To any amount of the residential consumer's monthly bill for electric service remaining unpaid after due date specified on bill, said due date being 15days after billing date, there shall be added a late payment charge equal to five (5) percent of such unpaid amount. To any amount of the Commercial and industrial consumer's monthly bill for electric service unpaid after due date specified on bill, said due date being 15 days after billing date, there shall be added a late payment charge equal to five (5) percent of the first \$250 of such unpaid amount plus one percent of any portion of such unpaid amount exceeding \$250.

Consumers served under the outdoor lighting rate, who are not exempt by Cooperative Policy, will be subject to the same late payment charge as the commercial and industrial consumers shown above.

- 2. Failure to receive a bill will not release a customer from payment obligation.
- E. If an employee of the Cooperative is instructed to disconnect a consumer's service because of nonpayment and while in route to or at the service location and prior to disconnection of the service, the consumer makes payment, a collection fee of an appropriate amount will be charged in addition to the amount of the bill. Note: This charge does not apply if payment is made after the meter has been removed or service otherwise has been terminated.)
- F. A fee of an appropriate amount will be collected for each check returned by the bank due to insufficient funds or other reasons not the fault of the Cooperative. See Office Procedures Manual for dates and amounts.

III. RETROACTIVE ADJUSTMENTS

- A. If Kilowatt usage is inaccurately recorded or registered due to equipment failure and results in a customer being under charged or over charged, and the customer is unaware of the error, defect, or failure, corrections will be made through such a certain date that can be established not to exceed thirty-six (36) months. The correction shall be in the form of a credit or reimbursement for an overpayment or billing for an undercharge.
- B. If errors are not due to mechanical or equipment failure, the adjustment period shall be that over which the improper billing was made.

IV. SPECIAL PLANS AND PROGRAMS

- A. A levelized billing plan will be available upon request for any residential consumer who has been receiving service at the same location for at least twelve (12) continuous months.
- B. Special counseling and/or special payment arrangements may be made available for consumers who demonstrate hardship or other circumstances which may warrant special consideration.

Board Action:

2/26/80	4/24/90	Reviewed: 01/28/2020
4/29/80	1/29/91	
2/22/83	04/28/15	

POLICY BULLETIN NO. 23-2

SUBJECT: APPLICATION OF RATE SCHEDULES

I. OBJECTIVE

To identify and define the type or types of electric service which qualify for billing in accordance with the Cooperative's published rate schedules.

II. DEFINITION AND INTERPRETATION OF THE RESIDENTIAL RATE

- A. The Cooperative's published Residential Rate Schedule defines the residential rate as follows:

"This rate shall apply only to electric service to a single-family dwelling and its appurtenances, where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein. Any such dwelling in which space is occasionally used for the conduct of business by a person residing therein may be served under this rate. Where a portion of a dwelling is used regularly for the conduct of business, the electricity consumed in that portion so used shall be separately metered and billed under the General Power Rate; if separate circuits are not provided by the customer, service to the entire premises shall be billed under the General Power Rate."

- B. Interpretation of Terms

1. Single Family Dwelling - A structure or separately metered unit of a Structure which serves as a residence for a single family, regardless of the number of persons in the family.
2. Appurtenances - Structures, equipment, or facilities which are attached physically to a single family dwelling or are physically separated from but connected by electrical conductor to a single family dwelling and receive electric service by means of the electric service installation provided at the associated single family dwelling.

III. APPLICATION OF RATE SCHEDULES

All electrical services provided by the Cooperative which qualify for billing in accordance with the published Residential Rate Schedule and which are in accordance with the terms as interpreted herein will be billed at the residential rate. All other electrical services provided by the Cooperative, except those billed under the Outdoor Lighting Rate Schedule, will be billed in accordance with the Cooperative's published General Power Rate Schedule.

Board Action:

10/25/83

Reviewed 01/28/2020

POLICY BULLETIN NO. 24-1

SUBJECT: TERMINATION OF ELECTRIC SERVICE (NONPAYMENT)

I. NOTICES

- A. A notice that electric service is subject to termination for nonpayment will be printed on the monthly bill.
- B. At least five days prior to the scheduled termination date, a written notice of intent to terminate electric service will be mailed to the consumer. The termination notice will include (1) the amount due, including all charges owed by the consumer, (2) the final date on which payment may be made in order to avoid termination of service and the location of which payment may be made, and (3) how to apply for a hearing and/or special counseling. The written notice may be included on the next month's bill. For members who have elected electronic only billing options, these notices will be sent electronically.

II. HEARINGS

- A. A consumer with a bill which qualifies as a disputed bill may be granted a hearing in order to present his or her dispute. Such hearings will be by appointment at the appropriate district office during normal business hours and will be conducted by a Hearing Officer selected by the President.
- B. Hearings outside normal business hours or at a location other than a Southwest District Office will be at the discretion of the Hearing Officer.
- C. A consumer who requests a hearing with regard to a disputed bill has the right to examine the Cooperative's records pertaining to his or her service. The consumer also has the right to have a representative at the hearing and to present witnesses.
- D. Provided the consumer is not satisfied with the results of the above hearing, an appeal hearing may be arranged at his or her request. An appeal officer will be appointed by the President, and the appeal hearing will be scheduled at the earliest opportunity mutually acceptable to the consumer and the appeal officer.
- E. Results of the final hearing will be in writing, a copy of which will be provided to the affected consumer.
- F. Post termination hearings for disputed bills only will be handled in the above manner.

III. SPECIAL COUNSELING

Special counseling will be made available to consumers who claim hardship or extenuating circumstances.

IV. TERMINATION OF SERVICE

Service will not be terminated unless a customer fails to make payment or fails to make arrangements for payment acceptable to the Collector or during the proceedings under item II. Termination will proceed as originally scheduled if customer fails to be in attendance at appointed time under the procedures of item II.

V. POSTPONEMENT OF TERMINATION OF RESIDENTIAL SERVICE FOR NON-PAYMENT DUE TO EXTREME WEATHER CONDITIONS

STEMC will not disconnect electric service when extreme weather conditions are observed or predicted as stated below:

1. If the high temperature forecasted by the National Weather Service is to be 100 degrees or higher for the day, in any of our service areas, to include zip codes: 38340, 38302, 38012, 38019, 38004, service will not be disconnected that day.
2. If the high temperature predicted by the National Weather Service is to be 32 degrees or below for the day, in any of our service areas, service will not be disconnected that day.

Where disconnection is postponed due to an extreme weather condition, the postponement will not extend beyond the extreme weather condition.

VI. POSTPONEMENT OF TERMINATION OF RESIDENTIAL SERVICE FOR NON-PAYMENT DUE TO DOCUMENTED MEDICAL NECESSITY

Upon STEMC's approval of our certification of medical necessity form, disconnection of service will be postponed for 10 days from the original scheduled disconnection date to allow customer time to make payment or alternative shelter arrangements. The medical necessity form (see attached) must be completed by a medical doctor or nurse practitioner licensed to practice in the State of Tennessee certifying that the disconnection of electric service would create a life threatening medical situation for the member or other permanent resident of the member's household. It is the responsibility of the member to ensure that the form has been approved by STEMC. A life-threatening medical condition does not relieve a customer of the obligation to pay for electric service, including any late fees incurred or other applicable charges. STEMC will only grant this postponement of termination 3 times in any twelve-month period. If full payment of the past due amount, including all late fees, is not received by the end of the 10-day postponement period, electric service will be disconnected without further notice.

SEE ATTACHED FORM
APPLICATION FOR CERTIFICATION OF MEDICAL NECESSITY

STEMC Service Address: _____ Account Number: _____

Customer's Name _____ Mailing Address _____ Phone Number: _____

Patient's Name _____ Phone# _____

CUSTOMER

I hereby attest that I am responsible for payment of the STEMC billing of electric services at the Service Address shown on this application, and that this application for certification of medical necessity is valid and not an attempt to delay or avoid just payment for services provided. I hereby agree to pay all billings promptly and acknowledge that this application, if approved, does not preclude STEMC's right to partially limit utility services at the service address, to pursue legal collection avenues for the recovery of unpaid billings, or to disconnect service under STEMC's Policies and Procedures. If STEMC approves an application for certification of medical necessity and I fail to enter into a written time-payment agreement within 7 days of the application approval, or to abide by its terms, STEMC will disconnect service after providing notice in advance of disconnection for nonpayment in accordance with STEMC's policies and procedures. I agree to pay STEMC for costs and expenses of all acts taken for collection of unpaid billings.

PATIENT

I hereby attest that I am a full-time, permanent resident at the STEMC Service Address shown on this application and that my medical condition is such that the complete termination of STEMC electric services would seriously endanger my health. In consideration of STEMC's approval of this application, I acknowledge STEMC's right to limit the delivery of services to this service address during any and all periods of non-payment, up to and including complete disconnection of service after providing advance notice in accordance with STEMC's Policies and Procedures. I agree to hold STEMC harmless from any damages relating to any complete termination that may occur incidentally as a result of system failure, or due to nonpayment by the STEMC service customer. In the event termination does occur, I agree to promptly notify and cooperate with STEMC so service may be restored as soon as possible. I release STEMC from all liability, claims, damages for property damage, injury or death, or expenses that may result from any complete termination which may occur incidentally as a result of system failure or due to nonpayment.

MEDICAL AUTHORITY

I hereby attest that I am a licensed physician / professionally certified health services official, that I have personally examined the above named patient, and that I have confirmed that complete termination of STEMC utility services would seriously endanger the patient's health for the following reason (describe nature of illness and effect on health of the complete absence of utility services):

How will the lack of electricity affect this customer: _____

How long has condition existed: _____

Length of time condition expected to last: _____

Type of medical equipment: _____

Does equipment have battery back-up: _____

Does equipment function on 110-volt service: _____

Medical Authority's Signature _____ Address _____ Phone # _____

Print Name _____ Title _____ Date _____

5/2009

FOR STEMC USE ONLY	DATE	NAME
Application Received		
Exemption Approved		

THIS EXEMPTION WILL EXPIRE ON _____

Board Action:

11/25/80

2/24/87

4/28/15

11/2019

11/30/21

Reviewed: 01/28/2020

POLICY BULLETIN NO. 24-2

SUBJECT: RIGHT-OF-WAY CLEARANCE

1. Southwest Tennessee Electric Membership Corporation and/or its agents will in practice remove existing trees under or adjacent to its power lines. In cases where such removals are impractical, Southwest and/or its agents will trim existing trees under or adjacent to its power lines to a vertical clearance of 10' from the neutral wire and a minimum horizontal clearance of 15' from the nearest phase wire. These same horizontal clearances will be achieved above its power lines along a vertical plane throughout the entire height of the tree to remove any and all overhanging limbs. In general, the owner's permission will not be sought.
2. Provided the Cooperative requests permission to remove trees from manicured property, the Cooperative will replace trees so removed with trees from an approved list. The Cooperative will remove existing tree(s), grind the stump(s) to below ground level, plant the approved replacement tree(s) and guarantee survival of the tree(s) for one year.

Board Action:
10/27/92
Reviewed: 01/28/2020

POLICY BULLETIN NO. 24-3

SUBJECT: RF METER OPT-OUT

Cooperative Members who request to not have a Radio Frequency (RF) Meter attached to their house or building where their existing electric service entrance is located, may opt to have the RF Meter installed at the transformer pole, or, in the opinion of the cooperative, another suitable distribution pole.

I. Relocation Costs

- A. The member will be responsible for paying an average cost of the labor and materials to relocate the meter to the transformer or distribution pole.
- B. Effective November 30, 2021, the cost to relocate an RF meter is \$750.00 for a 200 amp single phase service and \$1,000.00 for a 400 amp single phase service.
- C. The above relocation fee may be billed on the member's electric account in monthly installments over a period of 12 months with no interest and no additional fees.
- D. Cooperative management may make periodic adjustments to the average cost stated in Section I.B. as necessary to account for inflation or other changes to the average cost of materials and labor.
- E. Any work outside the scope of this policy will be billed to the member at actual cost.

II. Prior Policy

- A. Member who opted out of RF meter under the prior policy implemented in 2014 may continue under that policy for as long as the current meter is functioning properly.
 - i. The 2014 policy allowed a member to pay a one-time fee of \$180.00 and monthly fee of \$50.00 to have an old style PLC (power line carrier) meter installed.
- B. PLC or electromechanical meters are no longer readily available, therefore this 2014 option has been discontinued.
- C. When the existing PLC meter ceases functioning, any members under the 2014 policy will be required to obtain a regular RF meter per Cooperative standards or they may opt to relocate the RF meter under Section I. of this policy.

BOARD ACTION: 04/29/2014
REVISED: 11/30/2021

POLICY BULLETIN NO. 40-2

SUBJECT: AUDITS

Prior to May 1st of each year, independent Certified Public Accountants shall be employed by the Board of Directors for the purpose of performing a financial examination type audit of the Cooperative's accounts and supporting records, in accordance with the provisions of the Power Contract with Tennessee Valley Authority.

Bylaws, Article III, Section 7
Board Action:
8/30/63
Reviewed: 01/28/2020

POLICY BULLETIN NO. 50-1

SUBJECT: EQUAL EMPLOYMENT OPPORTUNITIES

1. Southwest Tennessee Electric Membership Corporation is an equal opportunity employer and does not discriminate or allow discrimination on the basis of race, color, religion, sex, national origin, age, disability, creed, genetic information, veteran status or any other legally protected characteristic.
2. The Cooperative will base employment and promotional decisions solely upon an individual's qualifications for the position to be filled.
3. The Cooperative will ensure that all personnel actions such as compensation, benefits, transfers, layoffs, recalls, training programs, educational programs, tuition aids, and other programs or benefits will be administered without regard to race, color, religion, sex, national origin, age, disability, creed, genetic information, veteran status or any other legally protected characteristic.
4. If any applicant or employee believes that he or she had been discriminated against based on race, color, religion, sex, national origin, age, disability, creed, genetic information, veteran status or any other legally protected characteristic, the matter should be reported immediately to the employee's Manager, the Cooperative's Human Resources Department or the President of the Cooperative.

Board Action:

3/27/79

Reviewed: 01/28/2020