

GREENEVILLE ENERGY AUTHORITY
d/b/a/ Greeneville Light & Power System

POLICY MANUAL
August 26, 2019

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SECTION 1. RULES AND REGULATIONS

1. **Application for Service.** Each prospective Customer desiring new electric service will be required to execute an application form or an appropriate power supply contract before service is supplied by GEA. Requirements for obtaining service may be found in the GEA Policy Manual, Section 3.1: Application for Service.

2. **Deposit.** A cash deposit or other suitable guarantee of payment approximately equal to twice the highest average monthly bill for that may be required of any Customer before electric service is supplied. Deposit policy details are stated in the GEA Policy Manual, Section 3.3: Security Deposits.

3. **Point of Delivery.** The point of delivery is the point, as designated by GEA where current is to be delivered to Customer's building or premises. All wiring and equipment beyond this point of delivery shall be provided and maintained by Customer at no expense to GEA.

4. **Customer's Wiring-Standards.** Customer's wiring must conform to GEA's requirements and requirements of the National Electrical Safety Code and the National Electrical Code.

5. **Inspections.** GEA shall have the right, but shall not be obligated, to inspect any installation before electricity is introduced or at any later time, and reserves the right to reject any wiring or equipment deemed to be unsafe. However, such inspection or failure to inspect or reject shall not render GEA liable or responsible for any loss or damage resulting from defects in the Customer's installation, wiring, or equipment, or from violation of GEA's rules, or from accidents which may occur upon Customer's premises.

6. **Line Extensions.** Under certain conditions, GEA requires contributions in aid of construction before new overhead or underground lines will be built. Specifics may be found in the GEA Policy Manual, Section 5.0: Extension and Maintenance of Lines.

7. **Customer's Responsibility for GEA's Property.** All equipment furnished by GEA shall be and remain, the property of GEA. Customer shall provide a space for and exercise proper care to protect GEA's property on its premises; In the event of loss or damage to GEA's property arising from neglect of Customer to care for same, the cost of the necessary repairs or replacement shall be paid by Customer.

8. **Right of Access.** GEA's identified employees shall have access to Customer's premises at all reasonable times for the purpose of reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to GEA.

9. **Billing.** Bills (other than for Pre-payment accounts) will be rendered monthly and shall be paid at locations designated by GEA. Failure to receive a bill does not release Customer from payment obligations. Late payment penalties are defined in the GEA Policy Manual, Section 3.4: Past Due Accounts.

SECTION 1. RULES AND REGULATIONS

Continued

10. **Termination of Service by GEA for Non-Payment.** GEA will discontinue electric service for non-Payment of charges for electric service using the procedures described in the GEA Policy Manual, Section 3.5: Termination for Non-Payment.

11. **Discontinuance of Service by GEA for Reasons other than Non-Payment.** GEA may refuse to connect or may discontinue service for the violation of any of its Rules and Regulations, or for violation of any of the provisions of the Schedule of Rates and Charges or the power supply contract with Customer. GEA may discontinue service to Customer for the theft of current or the appearance of current theft devices on the premises of Customer. Discontinuance of service by GEA as stated in this rule does not release Customer from obligations to pay for electricity previously consumed.

12. **Connection, Reconnection, and Disconnection Charges.** GEA may establish and collect standard charges to cover the reasonable average cost, including administration of connecting or reconnecting service after disconnection of service for non-payment or for other reasons. Higher charges may be established and collected when connections or reconnections are performed after normal office hours, or when special circumstances warrant. Reconnection/Collection fees may be found in the GEA Policy Manual, Section 4.3: Reconnection/Collection Fees.

13. **Termination of Contract by Customer.** Customers who have fulfilled their contract terms to discontinue service must give at least three (3) days' written notice to that effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve Customer from any minimum or guaranteed payment under any contract or rate.

14. **Charges for Temporary Service.** Customers requiring electric service on a temporary basis may be required by GEA to pay all costs for connection and disconnection incidental to the supplying and removing of service. This rule applies to circuses, carnivals, fairs, temporary construction, etc.

15. **Unexpected Interruption of Service.** GEA will use reasonable diligence in supplying current, but shall not be liable for breach of contract, or for loss, injury or damage to persons or property resulting from interruptions in service, excessive or inadequate voltage, single-phasing, or otherwise unsatisfactory service, whether or not caused by negligence.

16. **Shortage of Electricity.** In the event of an emergency or other condition causing a shortage in the amount of electricity available to GEA for use in meeting the demand on its system, GEA may, by an allocation method deemed equitable by GEA, fix the amount of electricity to be made available for use by Customer and/or may otherwise restrict the time during which Customer may make use of electricity and the uses which Customer may make of electricity. If such actions become necessary, Customer may request a variance because of unusual circumstances. If Customer fails to comply with such allocation or restriction, GEA may take such remedial actions as it deems appropriate under the circumstances including temporarily disconnecting electric service and charging additional amounts because of the excess use of electricity. The provisions of Section 15: **Interruption**

of Service of these Rules and Regulations are applicable to any such allocation or restriction.

SECTION 1. RULES AND REGULATIONS

Continued

17. **Additional Load.** The service facilities and apparatus supplied by GEA for each Customer have definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of GEA. Failure to give notice of additions or changes in load, and to obtain GEA's consent for same, shall render Customer liable for any damage to any of GEA's lines or equipment caused by the additional or changed installation.

18. **Electrical Fluctuations Caused by Customer.** Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to GEA's system. GEA may require Customer, at customer's expense, to install suitable apparatus which will reasonably limit such fluctuations. In the event that unreasonable fluctuations, or disturbances, including, without limitation, harmonic currents exceeding the latest revision of IEEE 519 as measured at the metering point, are caused by customer's facilities, GEA shall immediately notify Customer of the circumstances, and GEA shall then have the right to discontinue the delivery of power and energy under this contract until the condition causing such fluctuations or disturbances is corrected by Customer. GEA shall give customer written notice of these circumstances in addition to the above-mentioned notice, but the requirement to provide written notice shall not limit or delay GEA's right to discontinue service to Customer. Despite such discontinuance of service, Customer will be obligated to pay amounts due under the applicable rate schedule.

19. **Standby and Resale Service.** Electricity purchased from GEA by the Customer shall not be directly or indirectly resold.

20. **Notice of Trouble.** The Customer is requested to notify GEA immediately should its electric service be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply or safe use of electricity.

21. **Non-Standard Service.** Customer shall pay the cost of any special installation necessary to meet his peculiar requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.

22. **Meter Tests.** GEA will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. GEA will make additional tests or inspections of its meters at the request of Customer. If tests made at Customer's request show that the meter is accurate within two percent (2%), slow or fast, no adjustment will be made in Customer's bill, and GEA's standard testing charge will be paid by Customer. Should the test show the meter to be in error by more than two percent (2%), fast or slow, an appropriate adjustment shall be made in Customer's bill and the cost of testing shall be borne by GEA.

23. **Relocation of Facilities.** If feasible GEA may, at the request of Customer, relocate or change existing GEA-owned equipment. In such instances, the Customer may be required to reimburse GEA the total cost of this work, including appropriate overheads.

SECTION 1. RULES AND REGULATIONS

Continued

24. **Billing Adjusted to Standard Periods.** The demand charges and the blocks in the energy charges set forth in the rate schedules are based on billing periods of approximately one month. In the case of the first billing of new accounts (temporary service and seasonal customers excepted) and final billing of new accounts and final billing of accounts where the period covered by the billing involves fractions of a month, the demand charges and energy charges will be adjusted proportionately to the period of time during which service was provided.

25. **Residential Energy Services Program.** GEA, in fulfillment of the purposes and provisions of the Tennessee Valley Authority Act, may make funds available to eligible electric Customers for energy efficiency improvements. Customers obtaining such loans must sign repayment agreements that include the monthly repayment amounts due for this service as part of the electric bills from GEA. Except as otherwise stated in the repayment agreement, the provisions of Section 9: "Billing" of these Rules and Regulations shall apply to bills for the amounts made available by GEA as part of its electric service for energy efficiency programs.

26. **Revisions.** These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time without notice. Such changes shall have the same force as the present Rules and Regulations.

27. **Scope.** This schedule of Rules and Regulations is a part of all contracts for receiving electric service from GEA and applies to all classes of service received from GEA, whether the service is based upon contract, agreement, signed application, or otherwise.

28. **Conflict.** In case of conflict between any provision of any rate schedule established by the Tennessee Valley Authority and any portion of these Rules and Regulations, the rate schedule as approved by the Tennessee Valley Authority shall apply.

29. **Public Information.** A copy of these Rules and Regulations, a copy of GEA's current Policies that directly affect Customers, and a schedule of current electric rates shall be posted on GEA's web site and shall be available for inspection by any entity at GEA's office during regular business hours. Customers applying for new electric service will be advised of the availability of these documents, and will be offered a copy of these Rules and Regulations and current electric rates. GEA complies with the terms and conditions of the Tennessee Open Records Act.

30. **Public Notice of Local Rate Action.** Within ten working days of a local rate action decision, GEA will purchase advertising space in the local newspaper to announce the impact of that local rate action.

31. **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 the GEA. If the dispute is not resolved, the GEA will provide the customer with information regarding TVA's Complaint Resolution Process. Customers will also be informed about the availability of the TVA Complaint Resolution Process at any time upon request, and through information provided on the GEA website or other technological means of communication

as may be available.

SECTION 2.0 ETHICS

Approved: August 26, 2019 by GEA Board of Directors

Greeneville Energy Authority Code of Ethics

1. **Applicability:** This code is applicable to all persons associated with the operations of the Greeneville Energy Authority whether elected, appointed, employed, full time, part time, compensated, or not compensated.

2. **Definition of Personal and Employment Interest:** For the purposes of Sections 3 and 4, “personal interest” shall include, but is not limited to, any type of financial involvement connected to the subject of a vote by the authority board not otherwise regulated by state statutes on conflicts of interests, or any financial involvement connected to a matter or situation to be regulated or supervised by GEA. These restrictions also apply to the spouse, parent(s), stepparent(s), grandparent(s), sibling(s), child(ren), or stepchild(ren) of the individuals defined in Section 1 of this Code. In any situation in which a personal interest is also a conflict of interest under state law, the provisions of the state law take precedence over the provisions of this code.

The words “employment interest” shall include, but is not limited to, situations in which the spouse, parent(s), stepparent(s), grandparent(s), sibling(s), child(ren), or stepchild(ren) of an individual defined in Section 1 of this Code are employed or seeking employment with any entity that is the subject of the vote by the GEA Board or that is to be regulated or supervised by GEA.

3. **Disclosure of Personal Interest or Employment Interest by an Official with Vote:**

An individual defined in Section 1 of this Code with the responsibility to vote on a measure that involves a personal interest or employment interest as defined in Section 2 of this Code shall disclose that interest prior to the vote so that it appears in the minutes of the meeting. That official should recuse himself or herself from voting on the measure at hand.

4. **Disclosure of Personal Interest or Employment Interest in Non-Voting Matters:**

An individual defined in Section 1 of this Code who is responsible for regulating or supervising a matter or situation that involves a personal interest or employment interest that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose that interest in writing to the Secretary of the Greeneville Energy Authority Board prior to regulating or supervising that matter or situation. At its discretion, the GEA Board may instruct that individual to eliminate the personal interest or employment interest before regulating or supervising that matter or situation.

SECTION 2.0: ETHICS

(continued)

5. Acceptance of Gratuities: An official or employee of GEA may not accept, directly or indirectly, any money, gift, gratuity, or other consideration or favor of any kind from anyone other than the Greeneville Energy Authority;

A. For the performance of an act, or refraining from performance of an act, that he/she would be expected to perform, or refrain from performing, in the regular course of his duties; or

B. That might reasonably be interpreted as an attempt to influence his/her action, or reward him/her for past action, in executing the business of the Greeneville Energy Authority.

C. Notwithstanding anything to the contrary contained in the Authority's policies and procedures, gifts, gratuities, or other consideration that have a cumulative value of \$250.00 or less shall automatically be exempt from the provisions of this Ethics Code. An official or employee who receives a gift, gratuity, or other consideration with a cumulative value of more than \$250.00 shall within five business days of receipt of the gift, gratuity, or other consideration, file with the President/CEO's office a statement containing the following information: (1) a description of the gift, gratuity, or other consideration; (2) the name of the donor; (3) the date of receipt of the gift, gratuity, or other consideration; (4) and the cumulative value of the gift, gratuity, or other consideration. The cumulative value of gifts, gratuities, or other considerations from a single source shall be evaluated on a calendar year basis.

D. Anything of nominal value that is customary and routinely given by customers, suppliers, or contractors and not exclusively to Greeneville Energy Authority will not constitute a gift, gratuity, or other consideration under this policy.

E. Campaign contributions of any amount shall automatically be exempt from the provisions of this ethics code.

F. Except for campaign contributions, no official or employee shall accept any monetary consideration, monetary gift, or monetary gratuity.

G. Personal gifts to an official or employee (for birthdays, anniversaries, holidays, retirements, etc.) shall automatically be exempt from the provisions of this ethics code.

SECTION 2.0: ETHICS

Exemptions

Continued

H. It shall not be considered a violation of this policy for an official or employee to receive entertainment, food, refreshments, meals, health screenings, amenities, door prizes, foodstuffs, or beverages that are provided in connection with a meeting sponsored by an established or recognized statewide, area wide, or national association of the electrical distributor officials or electric utilities or by an umbrella or affiliate organization of such statewide, area wide, or national association of electrical distributor officials or electric utilities. Examples of such organizations would include American Public Power Association (APPA) and Tennessee Valley Public Power Association (TVPPA).

I. The following activities are exempt from this policy:

1. Activities relating to organizations in which the Authority is a member owner, whether partial or in whole and including affiliated entities of those organizations. These include but are not limited to National Information Solutions Cooperative (NISC), Distributors Insurance Company (DIC), and Seven States Power Corporation.

2. As TVA is the Authority's federally mandated regulatory agency, any transactions or interactions between TVA and Greeneville Energy Authority which are permissible under TVA's ethics policy shall be acceptable under Greeneville Energy Authority's ethics policy.

6. Use of Information

A. An official or employee may not disclose any information obtained in his/her capacity or position of employment that is made confidential under state or federal law except as authorized by law.

B. An official or employee may not use or disclose information obtained in his/her official capacity or position of employment with the intent to result in financial gain for himself/herself or any other person.

7. Use of Authority Time, Facilities, etc.

A. An official or employee may not use or authorize the use of Greeneville Energy Authority time, facilities, equipment, or supplies for private gain or advantage to himself/herself.

B. An official or employee may not use or authorize the use of Greeneville Energy Authority time, facilities, equipment, or supplies for private gain or advantage to any private person or entity, except as authorized by legitimate contract or lease that is determined by the Greeneville Energy Authority board to be in the best interests of the Authority.

SECTION 2.0: ETHICS

Continued

8. Use of Position or Authority

A. An official or employee may not make or attempt to make private purchases, for cash or otherwise, in the name of the Greeneville Energy Authority.

B. An official or employee may not use or attempt to use his position to secure any privilege or exemption for himself/herself or others that is not authorized the Certificate of Incorporation, resolution, or policy of the Greeneville Energy Authority.

9. Outside Employment

An official or employee may not accept or continue any outside employment if the work unreasonably inhibits the performance of any affirmative duty of the Greeneville Energy Authority position or conflicts with a provision of the Certificate of Incorporation and any resolution or policy of the Greeneville Energy Authority.

10. Ethics Complaints

The Greeneville Energy Authority Board attorney is designated as the ethics officer of the Authority. Upon written request of an official or employee potentially affected by a provision of this Code, the Board attorney may render an oral or written advisory ethics opinion based upon this chapter and other applicable law.

Except as otherwise provided in this subsection, the Board attorney shall investigate any credible complaint against an appointed official or employee charging any violation of this chapter, or may undertake an investigation on his own initiative when he/she acquires information indicating a possible violation and make recommendations for action to end or seek retribution for any activity that, in the attorney's judgement, constitutes a violation of this code of ethics.

The Board attorney may request that the governing body hire another attorney, individual, or entity to act as ethics officer when he/she has or will have a conflict of interest in a particular matter.

When a complaint of a violation of any provision of this chapter is lodged against a member of the governing body, the governing body shall either determine that the complaint has merit, determine that the complaint does not have merit, or determine that the complaint has sufficient merit to warrant further investigation. If the governing body determines that a complaint warrants further investigation, it shall authorize an investigation by the Board attorney or another individual or entity chosen by the governing body.

SECTION 2.0: ETHICS

Continued

The interpretation that a reasonable person in the circumstances would apply shall be used in interpreting and enforcing this Code.

When a violation of this Code also constitutes a violation of a personnel policy, rule, or regulation, the violation shall be dealt with as a violation of the personnel policy rather than as a violation of this Code.

11. Violations

An appointed official who violates any provision of this Code is subject to punishment as provided under applicable laws and is also subject to removal from office by the governing body. Employees violating provisions of this Code are subject to disciplinary action.

SECTION 3.0: BILLING AND COLLECTIONS

3.1 APPLICATION FOR SERVICE

Approved: August 26, 2019 by the GEA Board of Directors

Revised: June 22, 2020 by the GEA Board of Directors

GEA will not unlawfully discriminate against any Customer or potential Customer on the basis of race, age, sex, disability, religion, or national origin.

Applications for new service may be submitted in person or electronically and must be completely filled out by the prospective Customer of record. Prospective Customers of record may be represented by another individual via a power of attorney, notarized documents, or other satisfactory proof of proper authorization and authority.

Persons applying for service must provide two types of identification:

- I. An acceptable photo ID such as a valid State issued driver's license, a valid State issued Photo ID, a valid U.S. passport, or a valid U.S. Visa. Other forms of photo ID found on US Form I-9 LIST A or LIST B Documents will be considered on a case by case basis.**
- II. A valid U.S. Social Security card or valid U.S. Social Security number.**

All applicants for new service will be required to undergo a credit check to help verify ID and to help determine the need for and the amount of a security deposit.

Those applying for service on behalf of an entity shall be required to provide a verifiable U.S. FEIN for the entity in addition to the documentation required above.

A security deposit may be required prior to service being supplied to existing Customers transferring service to another location (refer to Section 3.3 Payment Security Deposits for details about security deposits).

Unpaid bills must be settled prior to service connection. Service will not be transferred on accounts in arrears unless satisfactory re-payment arrangements are made.

If the location for which service is sought requires a certificate of occupancy, electrical inspection, or other documentation or action from a regulatory body, agency or public official prior to occupancy or use of the location, then such documentation and/or proof of action shall be submitted prior to connection of permanent service.

Service may be cutoff to any location without notice, if GEA determines that continued service poses an imminent safety hazard or if GEA is notified by a public safety official that continued service poses an imminent safety hazard.

Occupants of the service location may not include persons in arrears to GEA. Applicants obtaining service to a location under these conditions may be prosecuted under Tennessee Code Annotated, 65-35-102. Prohibited acts; (3) "Obtain or attempt to obtain by use of any fraudulent scheme, device, means or method, electric, sanitary sewer, water, or gas service, with intent to avoid payment of the lawful price, charge or toll therefore, or for any person to cause another to avoid such payment for such service, or for any person to assist another

in avoiding payment for electric, sanitary sewer, water, or gas service, either through the making of multiple applications for service at one (1) address, or otherwise;”.

Applicants obtaining service to a location under these conditions agree that GEA or their contractor has permission to access all GEA facilities and trim vegetation around all high voltage GEA facilities to the standards as described in the GEA Policy Manual Section 5.2 on any property owned by, or under the control of, the applicant in the GEA service area.

Service will not be provided if required conditions are not met. The applicant is to receive notice of reasons for any denial of service.

3.2 CONNECTION & DISCONNECTION OF SERVICE **Approved: August 26, 2019 by GEA Board of Directors**

Requests to connect or disconnect service must be in writing and signed by the customer of record unless prior written arrangements are made.

SECTION 3.0 BILLING AND COLLECTION **Continued**

3.3 SECURITY DEPOSITS **Approved: August 26, 2019 by GEA Board of Directors** **Revised: January 25, 2021 by GEA Board of Directors**

GENERAL: The deposit is a guarantee of payment to GL&PS. GL&PS reserves the right to use a Customer’s security deposit as a set-off against that Customer’s outstanding bills. Deposits will be applied to a Customer’s outstanding bills only upon termination of service or upon a change in the party or parties responsible for that account.

After electric service has been provided for twelve consecutive months, the customer may request a review of the amount of security deposit that is required.

Interest will be paid on cash deposits held by GL&PS at the rate earned on its primary bank account. Any interest due will be credited to the Customer’s account annually. No interest will be paid on deposits held for less than one year.

RESIDENTIAL ACCOUNTS

Deposits may be waived for existing non-Prepay Residential Customers with an acceptable payment history to GL&PS, and for prospective Customers rated as an acceptable risk after a credit check is performed. As used herein, “acceptable payment history” means that the Residential Customer maintains a positive credit rating as computed by our automated credit rating system.

A deposit or an increased deposit may be required of any Residential Customer upon determination that such Customer is no longer maintaining an acceptable payment history. Customer’s failure to provide a required security deposit may result in termination of service for non-payment.

GL&PS offers Prepay, a pre-payment billing option which requires a (\$25) security deposit for Prepay Residential Customers.

Upon request, non-Prepay residential deposits will be returned to Customers maintaining an acceptable payment history for twelve consecutive billing cycles.

GENERAL SERVICE ACCOUNTS

New General Service Customers (GS) are required to provide payment security in an amount equal to twice the highest expected monthly bill.

Existing GS Customers who increase power use at an existing site or at a new location and have maintained an acceptable payment history for the preceding thirty-six months will not be required to provide payment security. Absent an acceptable thirty-six month payment history, payment security will be required in the same manner as for new GS Customers.

SECTION 3.3: SECURITY DEPOSITS

GENERAL SERVICE

Continued

When required, said payment security shall be provided via one of the following:

- 1. Cash security deposit**
- 2. An irrevocable letter of credit in GEA's standardized format**
- 3. GL&PS will add a line item equal to one twelfth (1/12) of the required payment security amount to the Customer's bill for twelve months**

An automated system will rate the payment history of all GS Customers to detect trends toward bad payment history. When this occurs, GL&PS will initiate consultations with the individual Customer regarding security deposits concerns. Should the negative payment trend cease, no further action will be taken by GL&PS regarding security deposits. Should the negative payment trend continue, GL&PS will require that Customer to provide security deposits via one of the following options:

- 1. Cash deposit**
- 2. An irrevocable letter of credit in GEA's standardized format**
- 3. A line item equal to one twelfth (1/12) of the required payment security amount can be added to the Customer's bill for twelve months**

Customer failure to provide required security deposits may will result in termination of electric power services until such time as security deposits obligations are met.

3.4 PAST DUE ACCOUNTS

Approved: August 26, 2019 by GEA Board of Directors

One day after the "Bill Due Date" unpaid accounts will be assessed a late payment penalty of 5% of the first \$250.00 of the current bill plus 1% of the balance over \$250.00. The first time a Customer incurs a penalty, the Customer can receive an adjustment if requested, provided the Customer's payment history has been satisfactory for at least twelve months.

If this date falls on a non-business day, the penalty will be applied at the end of the second working day after that date. The Bill Due Date can be changed on a case by case basis for Customer whose income is provided through any type of Federal aid program and if the Customer agrees to render payment via electronic means.

Accounts remaining unpaid eleven (11) calendar days after the Bill Due Date are subject to disconnect for non-pay unless the Customer has made appropriate payment arrangements. Payment arrangements must be made by the Customer of Record before the bill is nine (9) calendar days past due. While GEA will attempt to work out payment arrangements with each Customer based upon past payment history, it is the Customer's responsibility to initiate this process.

Bills rendered each month state the Amount Due after Due Date, Due Date, Payments, and Balance from Last Bill, Adjustments, Current Charges, and Balance Forward. Past Due Accounts will be mailed a Termination Statement and an Automated Phone Call will be made before termination of service for non-payment. The termination notice will outline the steps to be taken by any Customer desiring to dispute the bill.

SECTION 3.0 BILLING AND COLLECTION

Continued

3.5 TERMINATION FOR NON-PAYMENT

Approved: August 26, 2019 by GEA Board of Directors

Approximately eleven (11) calendar days after the Bill Due Date the Customer's service will be subject to termination for non-payment. All accounts subject to termination will be reviewed by the Office Manager or his/her designee to ensure that termination of service is appropriate.

Termination of service for non-payment will be delayed for up to thirty days at locations where a medical hardship is known to be in use. It is the Customer's responsibility to make GL&PS aware that such hardship exists by providing and maintaining a current doctor's statement of the situation. Written notice will be sent to the Customer and to the doctor of record regarding collection activities in such situations.

Service will normally not be terminated when the day-time high temperature is forecast to be less than 35 degrees, if the night-time temperature is forecast to be lower than 25 degrees, or if day-time temperatures are forecast to exceed ninety-eight (98) degrees. Decisions to delay service terminations due to temperature extremes will be based on forecasts made by the National Oceanic and Atmospheric Administration's Intellicast service for the 37743 zip code area.

Customers who fail to honor the terms of an ATP may be subject to termination without additional notice.

A reconnection fee may be assessed and must be paid along with past due amount prior to reconnection of service. (Refer to Section 4.3 Reconnection/Collection Fees). The System may, but is under no obligation to, offer special agreements to delinquent Customers.

3.6 CUSTOMER COMPLAINTS AND ADJUSTMENTS
Approved: August 26, 2019 by GEA Board of Directors

Customer questions about possible errors on residential and small commercial accounts are to be referred to the Office Manager who shall take appropriate action to determine if GL&PS is in error. The Office Manager is to keep the Customer advised of the status of their inquiry and of the resolution of the matter. Customer inquiries on possible billing errors on large Commercial and Industrial accounts shall be referred to the Rates and Contracts Engineer for investigation and corrective action. Before making a billing adjustment in excess of \$500, the Office Manager or the Rates and Contracts Engineer shall notify the Director of Accounting and Finance and the Director of Office Operations of the circumstances requiring that adjustment.

SECTION 4.0: MISCELLANEOUS FEES AND CHARGES

4.1 ACCOUNT SET-UP FEE
Approved: August 26, 2019 by GEA Board of Directors

A meter set/new connection fee of fifteen dollars (\$15) will be assessed to all new accounts. The charge is to partially offset the cost of setting up a new account, and can appear on the first billing if not paid during the application process.

4.2 TEMPORARY SERVICE FEE
Approved: August 26, 2019 by GEA Board of Directors

A fee of twenty dollars (\$20) will be assessed to accounts desiring temporary service. The fee is to partially offset labor costs incurred due to multiple trips to the site.

4.3 RECONNECTION/COLLECTION FEE
Approved: August 26, 2019 by GEA Board of Directors
Revised: January 25, 2021 by GEA Board of Directors

Non-Prepay Accounts:

A reconnection/collection fee will be assessed to those accounts which have been disconnected for non-payment and/or to which a serviceman has been dispatched in an attempt to collect amounts in arrears. Between the hours of 7:00 a.m. and 5:00 p.m. on regular business days, the fee is thirty-five dollars (\$35). During other hours the fee is seventy-five dollars (\$75).

Prepay Accounts:

Accounts that reach a prepaid balance owed to GEA of (\$0.01) or greater will be disconnected. A reconnection fee of (\$5) will be required if the service is disconnected in this manner. Disconnected accounts that maintain a balance of (\$0.01) or greater owed to GEA for 8 days will be closed. Accounts closed in this manner will require a new service application and any applicable fees must be paid prior to reestablishing an active account.

4.4 RETURNED TRANSACTION FEE
Approved: August 26, 2019 by GEA Board of Directors

A fee of Twenty Dollars (\$20) will be assessed to the Customer's account when a transaction (paper check, credit/debit card, e-check or online banking) is returned. A Forty Dollar fee (\$40) will be assessed if the account used for that transaction is closed.

GEA will require cash, cashier's check, or a money order for any transaction not honored by the Customer's financial institution.

Customers that forestalled shut-off for non-payment by issuance of a transaction that was subsequently dishonored by Customer's financial institution are subject to immediate disconnection of service unless immediate appropriate payment is received.

The System may refuse to accept transactions types that are returned from Customer's financial institution more than one time in a twelve month period (credit card, debit card, paper check, e-check, or online bank payments).

SECTION 4.0: MISCELLANEOUS FEES AND CHARGES
Continued

4.5 WORK MADE NECESSARY OR REQUESTED BY OTHERS
Approved: August 26, 2019 by GEA Board of Directors

Any person whose actions or requests make it necessary to relocate, remove, or modify existing GEA facilities will be responsible for the total cost incurred by GEA to investigate, design, and perform the necessary work. Satisfactory arrangements for payment shall be made before work will be started.

NOTE: This policy may not apply to governmental entities when GEA facilities are located within a public right of way, or when such work of the governmental entity is deemed by the CEO or the GEA Board to be in the best interests of GEA.

4.6 SECURITY LIGHT INSTALLATION CHARGES
Approved: August 26, 2019 by GEA Board of Directors

The charge to install a security light on a new pole will be approximately equal to the hourly operation cost of a standard construction crew plus the cost of the required pole.

The charge to install a security light on an existing pole, to move a security light to another existing pole at the same Customer location, or to change the type of security light at the Customer's request will be approximately equal to seventy five percent (75%) of the hourly operating cost of a standard service crew.

The charge to activate the first existing security light at a Customer's property will be approximately equal to fifty percent (50%) of the hourly operating cost of a standard service crew. The activation charge for each additional existing light at the same location will be approximately fifteen percent (15%) of the hourly operating cost of a standard service crew.

Payment of applicable charges should be made prior to performance of this work.

4.7 FEES FOR METER TESTS

Approved: August 26, 2019 by GEA Board of Directors

Upon request by the Customer of record, meters that have not been tested within ten years will be field tested without charge. Requests to test other meters will require payment of a Meter Test Fee of forty dollars (\$40). Should a Customer insist that a GL&PS meter be tested by an independent testing facility, all fees tied to that service shall be paid by the Customer. GL&PS will review the results of any such tests. Should a meter be found more than two percent fast, test fees will be refunded or reimbursed and the account will be adjusted as indicated by the test results and in accordance with applicable TVA and State of Tennessee laws and regulations.

SECTION 4.0: MISCELLANEOUS FEES AND CHARGES

Continued

4.8 METER TAMPERING

Approved: August 26, 2019 by GEA Board of Directors

CUT OR BROKEN SEALS

It is unlawful to break, deface or cause to be broken or defaced any seal, locking device or other parts that make up a metering device for recording usage of electricity. Only authorized GEA representatives are allowed to install and remove meter seals or locking devices.

Upon discovery of a cut/broken seal or locking device, GEA will investigate for possible meter tampering or theft of services. If any unauthorized connection, reconnection, or meter tampering has occurred, the Customer will be required to pay a Fifty Dollar (\$50.00) Cut Seal Fee. If GEA determines that the Customer has cut/broken a seal or locking device for any reason and no meter tampering/theft has occurred, the Customer of record will still be required to pay a Fifty Dollar (\$50.00) Cut Seal Fee. If it is determined that neither the Customer of record nor any beneficiary of the power received was responsible for the cut/broken seal or locking device, then the Customer of record will be relieved of the Cut Seal Fee.

4.9 POWER THEFT INVESTIGATION

Approved: August 26, 2019 by GEA Board of Directors

Whenever power theft is suspected the circumstances are to be clearly documented by taking pictures and by removing and tagging illegal connections or devices. Always try to take a witness. The site is to be placed and left in a safe condition. GL&PS will conduct a full investigation into the possible theft.

If it is clearly evident that electric energy was used and not metered through a deliberate act intended to defraud GL&PS. In these cases, and in locations where service is not authorized,

service should be disconnected and left in that condition until the investigation is completed and any required Customer payments have been received.

Any employee who willfully and knowingly, either directly or indirectly, provides the subject of a power theft investigation with information which might help the subject avoid detection, fine, or prosecution, or who conceals or willfully fails to report possible power theft information, will be considered to be aiding and abetting in the theft of our service. Proof of such aiding and abetting of power theft will result in immediate termination of employment, and that employee may also be subject to criminal penalties.

SECTION 4.0: MISCELLANEOUS FEES AND CHARGES

Continued

4.10 FEES FOR METER TAMPERING

Approved: August 26, 2019 by GEA Board of Directors

It is unlawful and dangerous for individuals other than authorized GEA representatives to connect electrical service or remove or otherwise tamper with electrical meters.

Upon discovery of any unauthorized connection, reconnection, or evidence of meter tampering, GL&PS will disconnect service without notice. The Customer of record will be charged one hundred and fifty dollars (\$150) disconnection fee, fifty dollars (\$50) seal cut charge, a minimum investigation fee of one hundred dollars (\$100) plus the estimated value of power illegally obtained, and fifty dollars (\$50) meter test fee. If meter is missing, the customer will be charged the cost of the meter.

In addition to the above charges, the customer will be charged a fee of one hundred and fifty dollars (\$150) for reconnection of service and for a mandatory electrical safety inspection by the State of Tennessee Electrical Inspector before the service will be reconnected.

If it is determined that neither the Customer of record nor any beneficiary of the power served through the reconnected/tampered meter was responsible for the reconnection or tampering, then the Customer of record will be relieved of the investigation fees.

SECTION 5.0: EXTENSION AND MAINTENANCE OF LINES

5.1 CHARGES FOR LINE EXTENSIONS

Approved: August 26, 2019 by GEA Board of Directors

Design: The engineering department is responsible for the design of line extensions and relocations. While the engineer will consider a Customer's request, the final design will be based upon industry standards and company practices.

Charges for line extensions on private property: An attempt will be made to provide service facilities to new Customers at the lowest practical cost. A cost estimate will be calculated by the engineer using average cost for the assemblies required plus additional labor cost for difficult or unusual conditions. Existing rights of way and utility easements will be used where practical. The customer will pay a contribution in aid of construction based on the cost estimate minus a construction credit described in a spreadsheet maintained by the Director of Engineering. These values may be changed from time to time by the CEO to reflect changes in the cost of doing business. The construction credit will be based on customer classification (i.e. Residential or General Service A) and expected power and energy requirements. Consideration will also be given for improvements to existing facilities when calculating the customer's contribution in aid of construction.

Charges for line extensions on existing public rights of way will be the same as those for line extensions on private property with an additional reduction resulting from an improvement to GEA infrastructure. This infrastructure credit, based on a percentage of the total cost of the line extension, will be determined by the engineer.

Contributions in aid of construction must be paid or suitably financed before service is connected. Upon proof of acceptable credit, GEA will finance up to one-half of the amount. Such financing shall be evidenced by a negotiable promissory note having a term of five (5) years or less bearing interest at "prime" as listed in the Wall Street Journal at the time the loan is approved. The accrued interest along with a pro rata share of principal shall be due monthly. Customers requiring three phase power will be charged a property rental fee for the transformer bank as calculated by the engineer.

Charges for line extensions for residential subdivisions and developments: After drawings have been submitted to GEA, the engineering department will design the facilities with input from the developer. The GEA engineer will generate a cost estimate for the project and apply a construction credit allocation similar to that described above. Prior to installation, the developer must pay a contribution in aid of construction for all facilities not covered by the construction credit.

The charge for line extensions for general power customers meeting the definition of a GSB account will be determined on a case-by-case basis.

SECTION 5.0: EXTENSION AND MAINTENANCE OF LINES

Continued

5.2 VEGETATION MANAGEMENT

Approved: August 26, 2019 by GEA Board of Directors

Program goals are: To obtain maximum clearance of vegetation from energized conductors at minimum costs, while respecting the rights of property owners and to achieve a reasonable and practical trimming cycle for all distribution circuits. The purpose of maintaining a right-of-way (easement) is to provide for employee and public safety, to maintain system reliability, and to provide for repair and replacement of distribution infrastructure.

GL&PS has the right to cut, trim, or remove trees that obstruct or impede poles and wires that are used for the purpose of operating its distribution system. Refer to *Johnson v. City of Chattanooga*, 175 S.W. 2d 175 (1945 Tenn.)

GL&PS has the legal right to do what is necessary to maintain and protect its facilities within the right of way. If a property owner prevents or attempts to prevent either the proper maintenance of existing power lines, or cutting, removal or trimming of trees that interfere with the GL&PS power lines, GL&PS has the right to bring suit for an injunction against the owner to prevent such interference.

In the event a property owner objects to the removal or trimming of trees that interfere with power lines that can be isolated in a manner that will only impact the objecting customer, GL&PS may agree to install an isolating device for the power line in question. In such a case, the objecting customer must agree to be responsible for the cost to install the isolating equipment as well as any recurring cost for GL&PS to respond to outages and make the necessary repairs that are a result of the reduced tree clearances.

Right of Way: A right of way is vital to provide clearance from anything encountering energized power lines. For public safety and system reliability trees and tree limbs which encroach into the right of way and endanger the power lines must be removed. Trees are trimmed to a minimum of eight feet from any energized conductor and all trees growing within the right of way are subject to being trimmed or removed from the right of way. All limbs overhanging the power line are subject to a minimum 12-foot clearance.

Tree Trimming: GL&PS will utilize the “lateral pruning method” to perform tree-trimming operations on its utility rights of way and utility easements. The tree program has three parts: (1) Tree trimming, (2) Tree removal, and (3) Tree replacement.

Trees are trimmed to ensure safety of the public and environment, to ensure the reliability of electrical service; and to control costs of repairing downed power lines.

All trimming shall be performed in accordance with modern arboricultural standards. Trimming shall be done in such a manner as to provide clearance for power lines with emphasis on current tree growth. Trimming methods shall be in accordance with guidelines outlined in a field pocket guide named “PRUNING TREES NEAR ELECTRIC UTILITY LINES” by Dr. Alex L. Shigo, (former chief and pioneering project leader, U.S. Forest Service). Exception to rule – (See Customized Trimming for Rounding over of Trees).

SECTION 5.2: VEGETATION MANAGEMENT

Continued

All pruning operations shall use a form of natural pruning, and include drop crotching, directional trimming, and selective cutting.

Customized Trimming: GL&PS Customers may request customized tree trimming services, such as (rounding-over), on “yard trees” located on that Customer’s property.

Such requests will only be considered if the customized trimming does not reduce the overall safety or effectiveness of trimming work deemed necessary. Customized trimming work shall not be started until the Customer arranges to pay the full cost of such work.

Tree Replacement Program. As described below, GL&PS will provide replacement trees in exchange for the removal of yard trees interfering with energized lines. This replacement program does not include damaged or dead trees that are either interfering or posing a threat to energized lines. This program is specific to yard trees at the owner’s request or where GL&PS determines it can benefit over long term to remove the tree in relation to the cost of trimming the tree.

Tree Removal Should Be Performed: Tree removal should be performed under the following conditions:

- (1) Trees where adequate clearance cannot be obtained.
- (1) Dead or damaged trees that are in the fall radius of power lines.
- (2) Trees located directly under lines, including fast growing volunteer species.
- (3) Trees that are unsightly after trimming.
- (4) Trees that require more than one-man hour of work per each trimming cycle.
- (5) Trees with an annual sucker growth of 30 (inches) or greater.

Tree Removal Should Not Be Performed: Tree removal should not be performed under the following conditions:

- (1) When GL&PS lines are not directly involved.

- (2) When the tree is a low growing tree or shrub that will not interfere with power lines during its projected life span.
- (3) When a service line or a security light is the only line involved. The only exception is a dangerous tree or damaged tree that requires an immediate response to prevent the occurrence of an outage.

Requirements of Contractor for Tree Trimming Operations: All contractor employees associated with GL&PS vegetation management program shall work in compliance with all GL&PS guidelines, and with all state, federal, and local requirements related to their work around energized power lines. All personnel shall be qualified and certified in accordance with their respective job assignments.

SECTION 5.2: VEGETATION MANAGEMENT

Continued

Additional Requirements. Below is a list of additional requirements for tree trimming operations.

- (1) OSHA Standard 1910.269 and subsequent paragraphs pertinent to trimming.
- (2) ANSI Z133-2017 or latest version.
- (3) ANSI A300 (Part 1)-2008 pruning, or latest version.
- (4) National Electrical Safety Code C2-2002, Part 2, Section 21- (General Requirements), Sub-Part 218-(Tree Trimming), or latest version.
- (5) GEA APPA Safety Manual Section 7, Subpart 701 to Subpart 708.
- (6) GEA Policy Manual Section 5.2.
- (7) U.S. Department and Transportation Manual on Uniform Traffic Control Devices --- (Part VI), Standards and Guides for Traffic Controls for Street and Highway Construction, Maintenance, Utility, and Incident Management Operations.

SECTION 6.0: CASH AND INVESTMENTS

6.1 BANK STATEMENT RECONCILIATIONS

Approved: August 26, 2019 by GEA Board of Directors

Bank statements will be reconciled by the Chief Financial Officer, or his/her designee.

Bank statements and returned checks are to be delivered unopened to the Chief Financial Officer or his/her designee.

Reconciliation is to include listing and review of outstanding checks. The CFO is to review the reconciliation for reasonableness any unusual items, and will initial and date each reconciliation after his/her review. Review shall be done by a person other than the reconciler.

6.2 INVESTMENTS

Approved: August 26, 2019 by GEA Board of Directors

The Chief Financial Officer is responsible for investing reserve funds in a manner that meets all legal requirements as to type and security. Examples of investments allowed: Certificates of deposit, treasury bills, treasury notes.

Financial institutions accepting GEA investments must guarantee those investments by pledging appropriate negotiable securities in the amount of one hundred five percent of the face value of the System investment exceeding the amount protected by Federal Deposit Insurance Corporation, and in accordance with the FIRREA Act of 1989. Appropriate securities are those backed by the full faith and credit of the United States government. Financial institutions which are part of the Tennessee State Pool are not required to pledge additional securities.

Interest rate quotations for investments are to be verified in writing, which includes electronic mail. Whenever possible quotations should be sought from a minimum of three financial institutions.

Investments are to be placed with the highest qualified bidder for the maturity term specified. Documentation of interest rate quotations are to be kept by the Chief Financial Officer or his/her designee for the longer of three years or as required by State or Federal regulations.

The terms of GEA investments are to be determined by the following: available interest rates, system requirements for funds, and projections of expected economic conditions. Investment of funds for over two years is to be reported to the CEO and the Board.

SECTION 7.0: PLANT ACCOUNTING AND WORK ORDER SYSTEM

7.1 CAPITALIZATION

Approved: August 26, 2019 by GEA Board of Directors

All appropriate work order activities are to be capitalized. Types of activity to be capitalized are defined in the Federal Energy Regulatory Commission manual (FERC). This manual shall be used as a guideline for GEA accounting practices.

7.2 EXPENSES

Approved: August 26, 2019 by GEA Board of Directors

Items to be expensed shall be defined as stated in the Federal Energy Regulatory manual (FERC). This manual shall be used as a guideline for GEA accounting practices.

7.3 ITEMS CAPITALIZED WHEN PURCHASED

Approved: August 26, 2019 by GEA Board of Directors

All purchases of meters, transformers, reclosers, and sectionalizers are to be capitalized upon purchase and remain in service until retirement occurs.

Average labor cost is to be calculated periodically and capitalized upon purchase, along with the equipment.

7.4 ORIGINATION OF WORK ORDERS

Approved: August 26, 2019 by GEA Board of Directors

Work orders typically originate in the Engineering Department. The responsible Engineer is to assign the project work order number and the title of the project. Work order numbers are to be in sequential order.

The Engineer is to give a full description of the construction project and state whether this is a new construction project, a system improvement, a removal project, or a tracking order. The amount of any required contribution in aid of construction is to be stated.

A map of the project showing details of the work to be done is to be prepared by the Engineer. The Engineer is to estimate the materials needed.

SECTION 7.0: PLANT ACCOUNTING AND WORK ORDER SYSTEM

Continued

7.5 WORK ORDER DETAIL

Approved: August 26, 2019 by GEA Board of Directors

The Construction Superintendent will assign approved work orders to construction foremen based on personnel required and the type of work to be done. Foremen are responsible for ensuring that labor, materials, and equipment used are coded to each specific work order.

Materials and supplies will be obtained via the Purchasing Department, according to the materials listing generated by the system. All items requisitioned to the work order but not used are to be returned to inventory and credited against the work order.

Employees are to code actual time to applicable work orders on their time entry. The foreman is to enter the actual crew time on the work order. The foreman is to allocate the crew's time to work orders and maintenance items actually worked on.

The Superintendent of Engineering and Operations or the Construction Superintendent is to ensure that contractor time and equipment charges are allocated to work orders and maintenance items actually worked on. Contractors are to record their materials, equipment, and labor charges in the same manner as System employees.

The Accounting Department is to input contractor amounts charged to various work orders from contractor invoices.

7.6 REVIEW OF COMPLETED WORK ORDERS

Approved: August 26, 2019 by GEA Board of Directors

Once a project is completed, the foreman is to complete the project work order as to actual completion date, work done, and significant problems encountered. The foreman is to sign the form and forward it to the Purchasing Department.

The Purchasing Department is to price out inventory used, review that all documents are present (e.g. work order, materials, requisition sheet, retirement order) and then forward to the Accounting Department.

The Accounting Department is to review that all labor, equipment, inventory, and contractor charges have been accumulated and close the work order.

SECTION 8.0: PURCHASING AND PROCUREMENT

8.1 PURCHASE ORDER SYSTEM

Approved: August 26, 2019 by GEA Board of Directors

Purchase orders are to be used for most purchases over five Hundred Dollars (\$500).

Except in emergency situations, the purchase requisition module is to be used to submit a requisition and should be filled out by the person requesting a purchase. The requisition should contain as much information as possible to facilitate the actual purchase, including the supervisor's approval. The purchasing department will then initiate a purchase order utilizing the software.

8.2 COMPETITIVE BIDDING AND REQUESTS FOR PROPOSALS

Approved: August 26, 2019 by GEA Board of Directors

Bids or proposals are required for purchases over twenty Thousand Dollars (\$20,000).

Requests for bids or for proposals on all purchases in excess of fifty Thousand Dollars (\$50,000) are to be advertised in the appropriate media.

A minimum of three competitive bids must be sought for applicable purchases or requests for proposals. This requirement may be waived by the CEO on purchases up to twenty five thousand Dollars (\$25,000) and may be waived by the Board on purchases above that amount when it is determined that it is not practical to obtain three bids.

The lowest competitive price for products or services meeting GEA specifications is to be selected or the Purchasing Department is to document in writing why another bid was selected (e.g. superior product, better maintenance record, better system experience with vendor, etc).

The documentation for such bids or proposals shall be maintained by the Department Head who oversees the related work for a period of at least five years.

8.3 RECEIVING PROCESS

Approved: August 26, 2019 by GEA Board of Directors

The Purchasing Department is to record the receipt of items (quantity, description, and date) on the receiving report and compare the receipt to the purchase order to ensure that the following are the same: product, quality, and quantity. The Purchasing Department is to initial the receiving report to document review and approval and forward to the Accounting Clerk.

If there is a quantity difference in excess of 10% of the ordered quantity between the purchase order and amount received, the order must be discussed with the vendor to determine why this occurred. Acceptance of shipments of this nature must be approved by the CEO before payment is made.

SECTION 8.0: PURCHASING AND PROCUREMENT

Continued

8.4 ACCOUNTS PAYABLE

Approved: August 26, 2019 by GEA Board of Directors

Once material is received, the receiving report is to be submitted to the Accounting Clerk for processing together with the related purchase order. When the order is completely received, these items should be matched prior to forwarding them to the Accounting Clerk. [The Purchasing Department does not approve invoices for payment.]

The Accounting Clerk is to review the following: required documentation, required approvals, invoice, purchase order, and receiving documentation.

The Accounting Clerk is to review invoices to ensure that payment discounts are taken and that no late payment charges are incurred. Delays in this process caused by other departments are to be immediately brought to the Chief Financial Officers.

Any missing or incorrect documentation noted by the Accounting Clerk is to be discussed with appropriate personnel and reconciled prior to the invoice being entered for payment.

Invoices are to be checked for mathematical accuracy by the Accounting Clerk prior to the invoice being entered for payment.

Proper cut-off dates are to be established for accounts payable.

8.5 CASH DISBURSEMENTS

Approved: August 26, 2019 by GEA Board of Directors

The Accounting Clerk is to maintain control of blank check stock.

The software maintains a file of normal and routine vendors. Invoices from these vendors are to be paid by computer generated checks. Invoices from other vendors are to be processed in the same manner.

Prior to entry of the invoices into the payable system, the Accounting Clerk is to review the accounts payable listing to ensure that the payee, amount and account distribution agree with that on the invoice or purchase order.

The Accounting Clerk will attach a copy of the checks to the invoices and forward them to the CFO for review and approval, and for signature on the checks.

The check register is then forwarded to the CEO for review and approval. Only after all of these procedures have been followed checks are to be mailed.

At year end, the CFO is to prepare a Form 1099-Miscellaneous as mandated by applicable regulations.

SECTION 9.0: INVENTORY

9.1 PERPETUAL INVENTORY SYSTEM

Approved: August 26, 2019 by GEA Board of Directors

Inventory items are to be maintained on a perpetual inventory system.

The Purchasing Department is to enter inventory received from the packing slip into the perpetual inventory system.

Inventory is to be relieved from the perpetual inventory system using work item pick lists.

Items requisitioned to a construction job or expensed out of inventory but not used should be returned to inventory and checked by the purchasing department. The applicable work order item pick list.

Reorder points are to be established for standard inventory items. These reorder points are to be based on the GEA's usage of the items and lead time required to obtain the items.

9.2 PHYSICAL INVENTORY CONTROL

Approved: August 26, 2019 by GEA Board of Directors

All inventory items are to be stored so as to minimize damage or wear due to inappropriate exposure to the elements. Similar inventory items are to be placed together, and the inventory is to be maintained in an orderly fashion.

Except in emergency situations, no items are to be removed from inventory until a work order item pick list is generated. For items needed on an emergency basis the employee who removes those items is to prepare the material issue sheet showing the items, quantity and project to be charged.

All inventory items that are highly susceptible to theft should be kept under lock and key. Keys should be held by the Purchasing Department, Superintendent of Engineering and Operations, Construction Superintendent, and the Night Dispatchers.

Contractors needing inventory items are to contact the Purchasing Department prior to removing materials and supplies.

The Purchasing Department is to monitor the inventory closely and identify obsolete or surplus inventory. Obsolete inventory is to be written off whenever practical. Surplus inventory is to be identified and sold if possible.

SECTION 9.0: INVENTORY

Continued

9.3 PHYSICAL INVENTORY OBSERVATION

Approved: August 26, 2019 by GEA Board of Directors

The Purchasing Department is responsible for ensuring that an accurate and complete count of all materials and supplies is made at least annually. The physical inventory count is to occur as close to the end of the fiscal year as practical. The Authority's auditors are to be advised of the inventory date.

All materials and supplies are to be actually counted. Each count is to be recorded as to the item, quantity, and location. An inventory tag is to be placed on inventory as it is counted. After the employees have completed counting, the purchasing department should tour the warehouse and all other service center areas to ensure that all inventory items have been included in the physical count. Any exceptions are to be counted and included in the inventory.

The Purchasing Department is to compare the physical inventory listing to the perpetual inventory listing and reconcile any differences. The Purchasing Department is to then prepare the inventory adjustment. Significant differences are to be investigated by the Chief Financial Officer.

9.4 SCRAP AND SURPLUS INVENTORY

Approved: July 1, 2019 by CEO

All scrap and surplus assets, materials, and supplies are to be regarded as saleable until proven otherwise. Each foreman or contractor crew leader is to return materials and supplies from the field to the warehouse under the control of the purchasing department. An exception to this may be made for scrap items with little economic value as determined by the Chief Financial Officer.

The Purchasing Department is to compare what was returned to him to the applicable retirement order to ensure reasonableness.

All sales of scrap and surplus assets, materials, and supplies are to be made by the Purchasing Department as economically feasible and reviewed by the CFO.

The Purchasing Department is to enter all proceeds from scrap sales on pre-numbered receipts. Cash receipts from such sales are to be sent directly to the Accounting Department.

The Accounting Clerk is to verify that the cash received agrees with the receipt. Any discrepancies are to be investigated by the CFO. The Accounting Clerk is to account for the sequence of pre-numbered receipts. The Accounting Clerk will prepare the journal entry to record the transaction and will forward all cash to the cashiers for inclusion in the daily bank deposit.

SECTION 10.0: BOARD REPORTING AND APPROVAL

10.1 FREQUENCY OF REPORTING

Approved: August 26, 2019 by GEA Board of Directors

Management is to report the following to the Board each month:

- Financial statement review**
- Key performance indicators**
- Other key statistics or information**
- Purchases to be approved**
- Significant contractor activity**
- Summary of capital expenditures**

Management is to report the following to the Board on an annual basis:

- Operating forecast**
- Contractor arrangements**
- Financial statement review and overall variation analysis**
- Annual key performance indicators**

10.2 FINANCIAL STATEMENT REVIEW

Approved: August 26, 2019 by GEA Board of Directors

Management is to provide the Board with the monthly TVA financial statements., and any other reports deemed necessary by the Board or management.

On an annual basis, management is to review the audited financial statements with the Board and provide an analysis of significant variations.

10.3 OPERATIONAL REVIEW

Approved: August 26, 2019 by GEA Board of Directors

At least annually the CEO is to provide the following key performance indicators to the Board: average revenue per KWH, average cost per KWH, percent of line loss, distribution expense per customer, maintenance expense per customer, number of new customers, number of line miles added, etc.

The CEO is to provide the Board with other key statistics and utility information as it becomes available.

SECTION 10.0: BOARD REPORTING AND APPROVAL

Continued

10.4 PURCHASING AND CONTRACTOR APPROVAL

Approved: August 26, 2019 by GEA Board of Directors

Authority purchases or contracts exceeding fifty thousand (\$50,000) that are not classified as routine operational items or expenses are to be presented to the Board for its approval.

Authority management is to present the Board adequate information to enable them to make reasonable business decisions in approving purchases and contractors. The Board is to be informed of the following:

Description of the purchase or the project

Reasons needed by the Authority

Cost of purchase or project

All bids on purchase or project and information concerning those individuals or entities who offered bids

Designated Authority employees are to report significant contractor activity to the Board on a monthly basis.

10.5 FORECAST REPORTS

Approved: August 26, 2019 by GEA Board of Directors

The CEO or his/her designee is to provide a written forecast to the Board for its review prior to the beginning of each fiscal year. The forecast may be updated periodically and presented to the Board.

On a monthly basis, the CFO is to provide the Board a summary of actual expenditures compared to the forecast.

On an annual basis, the CFO is to provide an analysis of overall expenditures compared to forecasted expenditures.

SECTION 11.0: FAIR & ACCURATE CREDIT TRANSACTION ACT

11.1 IDENTITY THEFT PREVENTION PROGRAM

Approved: August 26, 2019 by GEA Board of Directors

In accordance with the Federal Fair & Accurate Credit Transaction Act, (FACT Act), the Greeneville Energy Authority developed an Identity Theft Prevention Program (the Program).

The Greeneville Energy Authority (Board) adopted the Program as official policy of the Greeneville Light & Power System on October 27, 2008, and authorized its CEO to administer the Program as indicated and required by the FACT Act.

The official copy of the Program, including changes and updates that may be made by the Board, will be maintained in the office of the CEO.

SECTION 12.0: TENNESSEE PUBLIC RECORDS ACT

12.1 PROCEDURES FOR INSPECTION OF PUBLIC RECORDS

Approved: August 26, 2019 by GEA Board of Directors

Consistent with the Public Records Act of the State of Tennessee, GEA shall provide residents of the State of Tennessee with full access to public records during regular business hours. GEA employees shall protect the integrity and organization of public records with respect to the manner in which said records are inspected and/or copied. All inspection of GEA records must be performed under the supervision of the Records Custodian (the CEO or a designee). Copying of GEA public records must be performed by GEA employees, or by an entity or person designated by the Records Custodian.

To prevent excessive disruptions to the necessary work at GEA, persons, requesting access to public records are to complete a records request form provided by GEA, and shall provide a governmentally approved identification card demonstrating their Tennessee citizenship. The requesting person shall describe the desired records as specifically as possible. Upon request or as necessary, GEA employees may assist in the completion of the records request form using information provided by the requesting person.

Within seven days from receipt of a request for records inspection and/or copying, the Records Custodian shall determine whether GEA can locate and retrieve the requested records and whether those records contain any information deemed confidential by any applicable federal, state, or local law. No later than the end of the seventh day after the day a records request is made, the Records Custodian shall respond to the requesting person and either:

- 1. Produce the requested records;**
- 2. Arrange an appointment for the viewing/copying of said records at the convenience of both parties;**
- 3. Provide an estimate of the time and cost for locating and copying records of large volume;**
- 4. Provide an explanation of why the requested records may not be immediately available along with a good faith estimate of when such records will be available;**
- 5. Deny the request with a written explanation for the denial;**

There is to be no charge for inspecting any public records. Fees for producing copies of records will be as authorized by the Tennessee Office of Open Records. The cost of labor necessary to honor an open records request will be recovered as authorized by the Tennessee Office of Open Records.

If the requested public records are frail due to age or other conditions, or if said records are in a location that is difficult to access, the requesting person may be asked to set an appointment to view said records.

Persons requesting copies of public records via US mail or via other shipping means shall pay the cost of postage or shipping prior to the release of said records.