

Southwest Tennessee Electric Membership Corporation

Member Policy Manual

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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

MEMBER INFORMATION REQUEST FORM

Except for information of a routine nature about a member's own account or general information that is normally distributed by STEMC's Board or staff to its members and public, no information concerning the Cooperative, its other members, personnel, directors, agents or employees shall be made available unless the requesting member fully completes this information request form.

Requesting Member(s)' Name(s), Address(es) and Telephone Number(s)"

State specifically what information is being requested:

State specifically why you want such information and to what use you will or may put it:

If the request is being made on your own behalf plus that of others please state the names, addresses and telephone number of the others. (State only names of persons who have authorized you to request this information on their behalf):

If you are represented by an attorney in this request, please state such attorney's name, business address and telephone number:

It is understood and agreed that, by executing this request for information, you agree that you will not yourself put, or permit others to put, such information to a use other than that above stated.

Date: _____ 20____

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

Southwest Tennessee Electric Membership Corporation

POLICY MP-BD-001-00

Board Duties, Responsibilities, and Conduct

I. OBJECTIVE

The objective of this Board Duties, Responsibilities, and Conduct Policy is to describe the duties and responsibilities of the Board of Directors, as well as standard of conduct and professional development expected of the individual board members.

II. POLICY

The Board of Directors shall direct the affairs of the cooperative. All of the powers of this cooperative are held solely by the Board of Directors, except such powers that have been conferred upon or reserved for the members by statute or by the cooperative's Articles of Incorporation or Bylaws. Ultimate responsibility for cooperative performance resides in the board.

In addition, this policy will establish standards whereby these powers may be exercised in the best interests of the cooperative. Further, it is the policy of the cooperative to expect its directors to gain and maintain the knowledge and skills necessary to function actively and effectively as members of the Board of Directors.

III. EXPECTATION

A. Fiduciary Duty: The Board of Directors have a fiduciary duty to the cooperative and its members. This duty is described as follows:

A director of Southwest Tennessee Electric Membership Corporation shall discharge his or her duties as a director, including his or her duties as a member of a board committee:

1. Duty of Care: Directors must act in good faith with due diligence and informed judgment by preparing for decisions, asking questions, attending meetings, and making choices in the best interest of the cooperative;
2. Duty of Loyalty: Directors must act in the organization's best interest by avoiding personal gain, disclosing conflicts of interest, and remaining fully committed to the organization's success; and
3. Duty of Obedience: Directors must ensure the organization follows its mission/purpose, complies with laws and regulations, and adheres to its governing documents and policies.

B. Key Responsibilities and Functions of the Board:

1. Set the cooperative's mission/purpose(s), and engage, on a regular basis, in strategic planning;
2. Select, regularly evaluate the performance of, and fix the compensation of the President/CEO who manages all daily operations of the Cooperative;

3. Review, monitor, and report to the membership regarding the critical operating and financial performance of the cooperative;
4. Ensure effective planning and adequacy of resources including approval of the annual budget;
5. Contract for and approve an annual independent financial audit; and
6. Provide program oversight and support, including the adoption of policies and monitoring such for compliance with legal and regulatory requirements, as well as the adequacy of internal controls.

C. Access to Cooperative Management and Information and the Duty of Confidentiality

Directors are entitled to reasonable access to the cooperative's data or other information. A director shall keep confidential all matters involving the cooperative that have not been disclosed to the general public.

1. Requests for access to information or staff should normally be made to and through the President/CEO. In some instances, however, it may be appropriate for directors to seek information directly from other employees or external advisors. The cooperative may wish to consider whether to direct board members to consult with the Chairman of the Board or board attorney if they are uncertain whether it is appropriate to direct a specific request to someone other than the President/CEO.
2. When a director has sought access to information not generally available to the public or reported to the board, the President/CEO shall report on this at the next meeting of the board to ensure that all board members have equal access to the information.
3. Information received by a director shall not be disclosed to any other persons except other directors unless the director reasonably believes that he or she must do so to fulfill his/her fiduciary duty. (A director is encouraged to consult with the board attorney in determining whether fiduciary duty obligates making such a disclosure.)

IV. LIMITATIONS

A. Conduct with Respect to Fellow Directors

Regardless of any personal differences, directors should at all times:

1. Demonstrate mutual respect.
2. Allow opportunity for every other director to be heard on any matter being considered by the board.
3. Refrain from revealing to persons other than directors, the President/CEO or the board attorney any differences of opinion among directors on matters considered and acted upon by the board. (This standard does not preclude fair and accurate publication of such differences to the cooperative's members in relation to contests for director elections or other matters to be voted upon by the members. Nor does it impinge upon a director's right to dissent and to have his or her dissenting vote recorded in the minutes.)

4. Recognize that the Chairman of the Board has the responsibility and authority to enforce standards of behavior.
5. Publicly support decisions of the board except in extraordinary circumstances where the director can demonstrate that a decision and/or action will bring harm to the cooperative or threaten the cooperative's survival.

B. The Right to Rely on Others

In the discharge of his/her duties, a director is entitled to rely on management and board committees (appointed by the Chairman of the Board) of which the director is not a member, to perform his/her respective responsibilities. A director is entitled to rely upon reports, opinions, information and statements presented by the cooperative's management, employees, and external advisers whom the director reasonably believes to be competent and reliable in the matters being presented.

C. Board Self-Evaluation

The Board of Directors shall regularly engage in a self-evaluation of its performance and accomplishments in relation to the goals and mission of Southwest Tennessee Electric Membership Corporation.

D. Board Orientation

Upon election to the Board of Directors, a new Director will receive a thorough orientation on the responsibilities of his/her position, conducted by the Chairman of the Board, the President/CEO, and management staff.

E. Board Training and Development

1. Training and educational programs in the areas of governance responsibilities, utility operations and management oversight are desirable and necessary for a director. Each director shall demonstrate this commitment by successfully acquiring NRECA's Credentialed Cooperative Director certification prior to the end of their tenure.
2. In addition to formal board training programs, directors are encouraged to attend conferences and other activities designed to improve their skills and knowledge.

V. RESPONSIBILITY

1. Southwest Tennessee Electric Membership Corporation's legal counsel shall review this policy with the board on an annual basis and discuss any personal liability implications resulting from violations.
2. The Chairman of the Board is responsible for the administration of this policy.

October 27, 2026	Effective Date

Southwest Tennessee Electric Membership Corporation

POLICY MP-BD-002-00

Director Orientation

I. OBJECTIVE

The objective of this Director Orientation Policy is to ensure that all newly elected board members are effectively introduced to the cooperative model, organization's core values, purpose, governance structure, policies, and strategic priorities. Through a structured orientation process, board members will gain the knowledge, resources, and understanding necessary to fulfill their roles and responsibilities, contribute meaningfully to board discussions, and uphold their fiduciary duties with confidence and competence.

II. POLICY

All newly appointed directors shall complete orientation as detailed in the provisions below within 120 days of the Annual Meeting. Once directors have completed orientation they shall sign the Orientation Acknowledgement Form.

III. PROVISIONS

Orientation Topic	Description	Timing	Resource Contact
Cooperative 101	Directors shall be provided with an overview of the history of cooperatives, cooperative principles, and trade organizations.	Prior to 1st meeting	President/CEO
Board Governance	Directors shall be provided with a review of Board Duties, Responsibilities, and Conduct. This shall include education on a director's fiduciary duty and the duty of confidentiality. Directors shall be provided with a copy of the current bylaws for review.	Prior to 1 st meeting	Chairman of the Board/Legal Council
Technology Training	Directors shall be provided with all required devices. Additionally, newly appointed directors should be advised of the location and access procedures for all essential resources, including meeting materials, calendars, policy manuals, and bylaws.	Prior to 1 st meeting	Executive Assistant
Board Meeting Training	Directors shall review the meeting minutes from the preceding twelve (12) months and will be provided	Prior to 2 nd meeting	Chairman of the Board

	with <i>Robert's Rules of Order in Brief</i> . Additionally, each director shall be briefed on any major projects or initiatives currently underway within the cooperative. Directors shall be notified of their right to appoint a new Credentials and Election committee member.		
Cybersecurity Training	Directors shall be educated on cybersecurity threats and learn to identify and mitigate cybersecurity risks.	Prior to 2 nd meeting	Vice President of Information Technology
Core Values, Purpose, and Strategy	Directors shall be provided education of the cooperatives' core values and purpose. Additionally, newly appointed directors shall receive a review of the strategic plan and a status update on progress toward established strategic goals and initiatives.	Prior to 2 nd meeting	President/CEO
NRECA Board Certifications	Directors shall be educated on NRECA director course offerings and registered if they wish to begin earning certifications.	Prior to 2 nd meeting	Executive Assistant
Cooperative Finance Training	Directors shall be educated on the contents of the monthly financial report provided in their board meeting material and KRTAs.	Prior to 3 rd meeting	Vice President of Finance and Member Service
Engineering & Operations	Directors shall have a general understanding of the cooperative's territory, planning efforts, and operations.	Prior to 3 rd meeting	Vice President of Engineering, Operations
Aeneas	Directors shall be provided with a presentation of history, strategy, and current position of Aeneas Internet and Telephone. Operational relationship between the cooperative and Aeneas	Prior to 4 th meeting	CEO - Aeneas Internet and Telephone, Vice President of Telecommunications
Southwest Members Care	Directors will be provided with an overview of Southwest Members Care.	Prior to 4 th meeting	Vice President of Human Resources

IV. RESPONSIBILITY

- a. The Chairman of the Board is responsible for the administration of this policy.

July 28, 2026	Effective Date

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 districting provision. Notwithstanding any provisions of this section, a violation of such districting 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 by 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.

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.

To mimic Section 4-04 Tenure of the STEMC By-laws, directors will have a five-year term in office. Each year two (2) director positions will be up for election as follows:

➤ 2023	District 1	Position 4
	District 2	Position 2
➤ 2024	District 1	Position 5
	District 2	Position 1
➤ 2025	District 1	Position 1
	District 2	Position 3
➤ 2026	District 1	Position 3
	District 2	Position 4
➤ 2027	District 1	Position 2
	District 2	Position 5
➤ 2028	District 1	Position 4
	District 2	Position 2
➤ 2029	District 1	Position 5
	District 2	Position 1
➤ 2030	District 1	Position 1
	District 2	Position 3
➤ 2031	District 1	Position 3
	District 2	Position 4
➤ 2032	District 1	Position 2
	District 2	Position 5

The years after 2032 will start over with the positions in year 2028 on a five (5) year cycle.

SUBJECT: LIST OF POSITIONS AND DIRECTORS

DISTRICT	POSITION	03/2023
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	BRADLEY FRANKS
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: 01/28/2020
Amended: 03/28/2023

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
Reviewed 03/28/2023

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.
- C. A current organizational chart as of 03/2023 is attached.

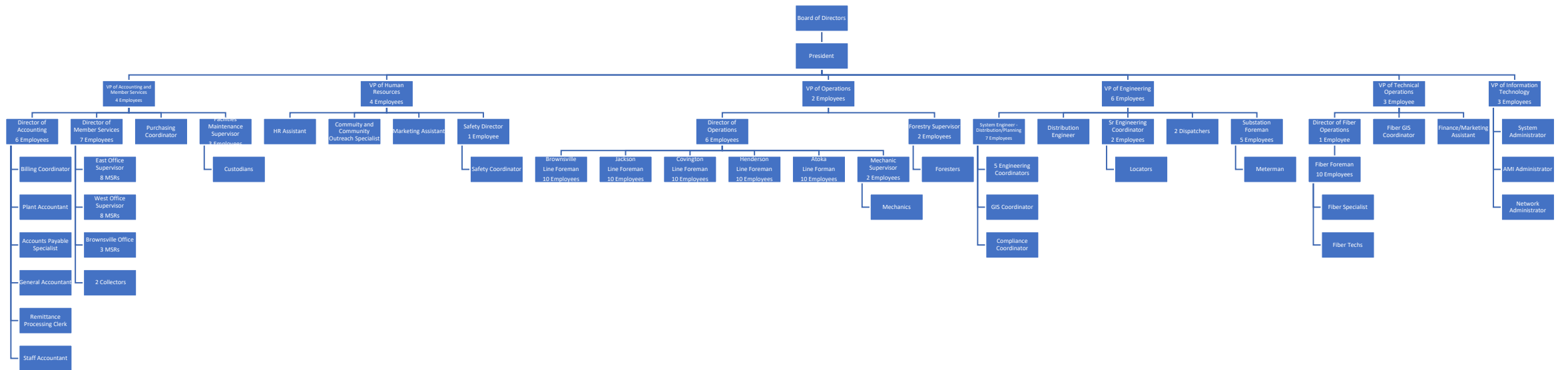
Board Action

9/25/79

4/23/91

Reviewed: 12/16/2021

Board Action: 03/28/2023



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 9:00 P.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. STEMCM 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

One Director, 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 five (5) 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
Board Action: 03/28/2023

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 due to death or retirement, shall be filled by a majority vote of the remaining Directors. This newly appointed Director shall serve until the next Annual Meeting of the members, or until their successors shall be elected. Any vacancy shall be filled by a successor Director who is a member residing in the same voting District as his/her predecessor Director. After the death or retirement of a Director, remaining Directors shall:

- 1) submit resumes to Board Chairman by end of business day 14 days after vacancy.
- 2) vote to fill the vacancy at the next Board of Directors meeting.

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

Board Action: 01/31/2023

Southwest Tennessee Electric Membership Corporation

POLICY MP-BD-013-05 **Director Compensation and Expenses**

I. OBJECTIVE

The objective of this Director Compensation and Expenses Policy is to establish the compensation and reimbursement guidelines for directors attending Board meetings and performing other authorized duties. This policy is adopted pursuant to Section 4.10 of Article IV of the Cooperative's Bylaws, which authorizes compensation and reimbursement of reasonable expenses incurred in the performance of Board responsibilities.

II. POLICY

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. For the purpose of this policy, a board meeting shall be a meeting where business may be officially conducted, including tele 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.

III. PROVISIONS

- a. Directors shall receive a standard \$300.00 per diem at (1) board meetings or (2) each day of authorized educational conferences. Directors shall also be reimbursed for the use of personal vehicles at 90% of the applicable IRS mileage reimbursement rate, rounded to the nearest cent, when traveling to and from such meetings.
- b. Directors shall receive 50% of the standard per diem rate for attendance at director orientation sessions, committee meetings, and online training sessions or meetings. Directors shall also be reimbursed for the use of personal vehicles at 90% of the applicable IRS mileage reimbursement rate, rounded to the nearest cent, when traveling to and from such meetings.
- c. Directors authorized or delegated to attend meetings outside the Cooperative's territory on Cooperative business shall receive, in addition to the per diem rate, advancement or reimbursement of any travel and out-of-pocket expenses listed below:
 1. A \$50 daily meal per diem.
 2. Travel made by air or car. When traveling by personal vehicle, mileage reimbursement shall not exceed 1500 miles per event.
 3. Directors may receive the applicable per-diem and reimbursable expenses as described above for one travel day before and one travel day after an approved meeting or event. For purposes of this policy, a travel day begins at

12:00 a.m. at the Director's residence within the Cooperative's service territory and ends 24 hours later for outbound travel. For return travel, a travel day begins at 12:00 a.m. at the meeting or event location and ends 24 hours later.

4. Transportation expenses, such as taxi fares, rideshare services, or rental vehicles may be claimed only for the days of business-related meetings. For all other days, 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. No entertainment expenses shall be eligible for payment or reimbursement by the Cooperative.
- d. No Director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Director receive compensation for serving the Cooperative.
- e. 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.

IV. RESPONSIBILITY

The Chairman of the Board is responsible for the administration of this policy.

February 1, 2012	Effective Date
December 30, 2014	Board Action – Rev. 01
January 1, 2022	Board Action – Rev. 02
November 28, 2023	Board Action – Rev. 03
September 29, 2026	Board Action – Rev. 04
October 27, 2026	Board Action – Rev. 05

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 \$300.00 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. 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.
 - E. 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
Reviewed: 01/28/2020
Revised: 01/01/2022
Revised: 11/28/2023

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 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. 1-13

SUBJECT: CONFLICT OF INTEREST

Each Director, Officer, and Key Employee of Southwest Tennessee Electric Membership Corporation must comply with this Policy.

1. Definitions. As used in this Policy, and unless the context requires otherwise:
 - A. Board means the Southwest Tennessee EMC Board of Directors.
 - B. Business Opportunity means an opportunity to engage in a business activity, other than an opportunity offered to all similarly situated Cooperative members, of which:
 - 1) An Official becomes aware in connection with performing Official functions; under circumstances reasonably indicating that the opportunity was expected to be offered to Cooperative or a Subsidiary; or through using Cooperative or Subsidiary information or property if the Official should reasonably expect the opportunity to interest Cooperative or the Subsidiary; or
 - 2) An Official becomes aware and knows is closely related to a business in which Cooperative or a Subsidiary is engaged or expects to engage.
 - C. Conflicting Interest Transaction means a transaction or proposed transaction by Cooperative or a Subsidiary, other than the payment of Official compensation or provision of Official benefits, and other than a transaction offered to all similarly situated Cooperative members:
 - 1) To which an Official is a party; or
 - 2) For which, at the time the Board considers the transaction, or at the time Cooperative or the Subsidiary becomes legally obligated regarding the transaction, an Official had knowledge and a Material Financial Interest known to the Official; or an Official knew that a Related Person was a party or had a Material Financial Interest.
 - D. Control or Controlled means:
 - 1) Having the direct or indirect power, through ownership of shares or interests, by contract, or otherwise, to elect or remove a majority of an entity's governing body.
 - 2) Being subject to a majority of the risk of loss from an entity's activities; or
 - 3) Being entitled to receive a majority of an entity's residual returns.
 - E. Cooperative means Southwest Tennessee Electric Membership Corporation
 - F. Director means a member of the Board.

- G. Disinterested Director means a Director who, at the time the Board acts regarding income, employment, competition, a Conflicting Interest Transaction, or a Business Opportunity:
- 1) Is not associated with the income, employment, or compensation; is not engaged in the Transaction; and is not taking advantage of the Opportunity; and
 - 2) Does not have a relationship with an Official associated with the income, employment, or compensation; engaged in the Transaction; or taking advantage of the Opportunity, which relationship would reasonably be expected to impair the objectivity of the Director's judgment regarding the income, employment, competition, Transaction, or Opportunity.
- H. Key Employee means a Cooperative employee, other than a Director or Officer, who:
- 1) Receives more than \$150,000 in compensation reported to the Internal Revenue Service on Form W-2.
 - 2) Has responsibilities, powers, or influence over Cooperative similar to a Director or Officer; manages a segment or activity of Cooperative representing ten percent or more of Cooperative's activities, assets, income, or expenses; or has or shares authority to control or determine ten percent or more of Cooperative's capital expenditures, operating budget, or employee compensation; and
 - 3) Is one of the twenty employees with the highest compensation reported to the Internal Revenue Service on Form W-2.
- I. President means the individual with ultimate responsibility for implementing the Board's decisions or supervising Cooperative's management, administration, or operation, regardless of job title.
- J. Material Financial Interest means a financial interest in a transaction reasonably expected to impair the objectivity of an Official's judgment regarding the transaction.
- K. Officer means an individual:
- 1) Appointed by the Board, or by another Officer authorized by the Board or by Cooperative's articles of incorporation or bylaws; and
 - 2) Serving as a chief executive, operating, financial, legal, or accounting officer; overseeing a principal business unit; or performing a major policymaking function. An Officer includes the President and the individual with ultimate responsibility for managing Cooperative's finances.
- L. Official means a Director, Officer, or Key Employee.
- M. Chair means a Director who is the Chair of the Board.
- N. Policy means this Southwest Tennessee EMC Conflict of Interest Policy.
- O. Related Entity means an entity, other than Cooperative, a Subsidiary, or an entity of which Cooperative is a member:
- P. Controlled by an Official or an Official's Related Individual.

- 1) In which an Official owns more than ten percent of the entity's shares or interests.
- 2) For which an Official is a general partner or member of the governing body.
- 3) For which an Official is a trustee, guardian, personal representative, or similar fiduciary.
- 4) Employing an Official; or
- 5) Controlled by an entity employing an Official.

Q. Related Individual means an individual:

- 1) Who is the spouse of an Official.
- 2) Who is, or is the spouse of, a child, stepchild, grandchild, parent, stepparent, grandparent, sibling, step sibling, half sibling, aunt, uncle, niece, or nephew of an Official or the Official's spouse.
- 3) Residing with an Official.
- 4) For whom an Official is a trustee, guardian, personal representative, or similar fiduciary; or
- 5) Employing an Official.

R. Related Person means a Related Entity or a Related Individual.

S. Subsidiary means an entity Controlled by Cooperative.

2. Employment and Income. A Director may not be employed by Cooperative or a Subsidiary. Unless an Official discloses income or employment to the Board and a majority of Disinterested Directors authorizes or ratifies the income or employment, the Official:

- A. Other than retirement or insurance income from Cooperative, and other than Director or employment compensation from Cooperative, may not directly or indirectly receive more than ten percent of the Official's annual gross income from Cooperative, a Subsidiary, or a Cooperative or Subsidiary employee.
- B. May not directly or indirectly receive more than twenty-five percent of the Official's annual gross income from another Official; and
- C. May not have a Related Individual employed by Cooperative or a Subsidiary.

3. Competition. An Official may not advance the Official's pecuniary interests, or have a Related Person that advances the Related Person's pecuniary interests, by competing with Cooperative or a Subsidiary, unless:

- A. There is no reasonably foreseeable harm to Cooperative or the Subsidiary from the competition.
- B. Any benefit that Cooperative or the Subsidiary may reasonably expect to derive from the competition outweighs any reasonably foreseeable harm to Cooperative or the Subsidiary from the competition; or
- C. The Official discloses the competition to the Board and a majority of Disinterested Directors authorizes or ratifies the competition.

4. Conflicting Interest Transaction. An Official may not engage in a Conflicting Interest Transaction unless:
 - A. To the extent unknown by Disinterested Directors, the Official discloses the existence and nature of the Official's conflicting interest and all facts known to the Official regarding the Transaction that a Disinterested Director would reasonably believe to be material in acting regarding the Transaction; Disinterested Directors deliberate and vote regarding the Transaction outside the presence of, and without participation by, the Official; and a majority of Disinterested Directors, but not less than two, authorizes the Transaction; or
 - B. According to the circumstances at the time the Board considers the Transaction, or at the time Cooperative or the Subsidiary becomes legally obligated regarding the Transaction, the Transaction, as a whole, benefits Cooperative or the Subsidiary, considering, as appropriate, whether the Transaction was fair in terms of the Official's dealings with Cooperative or the Subsidiary and whether the Transaction was comparable to what might have been obtained in an arm's length transaction, given the consideration paid or received by Cooperative or Subsidiary.
5. Business Opportunity. An Official may not directly or indirectly take advantage of a Business Opportunity unless, before the Official becomes legally obligated regarding the Opportunity:
 - A. The Official informs the Cooperative or Subsidiary of the Opportunity; and
 - B. To the extent unknown by Disinterested Directors, the Official discloses the existence and nature of the Opportunity and all facts known to the Official regarding the Opportunity that a Disinterested Director would reasonably believe to be material in acting regarding the Opportunity; Disinterested Directors deliberate and vote regarding the Opportunity outside the presence of, and without participation by, the Official; and a majority of Disinterested Directors, but not less than two, disclaims interest in the Opportunity.
6. Insider Pecuniary Benefit. An Official may not use Cooperative or Subsidiary property, material private information, or position to secure pecuniary benefit unless:
 - A. Value is given for the use and assuming the use is a Conflicting Interest Transaction, the Official could engage in the Transaction under this Policy.
 - B. The use is payment of compensation or provision of benefits.
 - C. The use is of information only and the use is not connected with trading securities, is not a use of proprietary information, and does not harm Cooperative or Subsidiary.
 - D. Assuming the use is a Conflicting Interest Transaction, a majority of Disinterested Directors authorizes the Transaction under this Policy; or
 - E. The benefit is received as a Cooperative member; made available to all other similarly situated Cooperative members; and lawful.

7. Compliance and Enforcement. The Board interprets and enforces this Policy. Cooperative's legal counsel must annually review this Policy with all Officials. The minutes of all Board meetings should record all disclosures, votes, authorizations, and other actions taken under this Policy. Each Official must annually complete and sign the Conflict of Interest Certification and Disclosure Form attached to this Policy and deliver the completed and signed Form to Chair or President. If an Official discovers any information or fact that could impact another Official's compliance with this Policy, then the Official must disclose the information or fact to Chair or President immediately. If President or Chair receives a Form disclosing any information or fact that could impact an Official's compliance with this Policy, then, respectively, President must deliver the Form to Chair and Chair must distribute the Form to the Board. If President or Chair receives or discovers any other information or fact that could impact any Official's compliance with this Policy, then, respectively, President must disclose this information or fact to Chair and Chair must disclose this information or fact to the Board. Upon receiving or discovering any information or fact that could impact a Director's compliance with this Policy, the Board must:

- A. Provide the Director an opportunity to comment orally and in writing regarding the information or fact, and an opportunity to be represented by legal counsel; and
- B. Determine whether the Director complies with this Policy.

If the Board determines that a Director does not comply with this Policy, then:

- A. The Board must provide the Director an opportunity to comply with this Policy within thirty-days; and
- B. If the Director does not comply with this Policy within thirty-days, then, as allowed by law, the Board must follow procedure as stated in the Bylaws to remove the Director.

Upon receiving or discovering any information or fact that could impact any other Official's compliance with this Policy, the Board must act as appropriate or authorize the President to act as appropriate.

Reviewed: 01/28/2020

POLICY BULLETIN NO. 1-13A

Conflict of Interest Certification and Disclosure Form

As defined in the Southwest Tennessee Electric Membership Corporation Conflict of Interest Policy (Policy), the undersigned Official:

1. Affirms that Official has received or has access to, has read, and understands the most current version of the Policy.
2. Agrees to comply with the Policy.
3. Based upon Official's good faith belief, to the best of Official's knowledge, and except as disclosed below, certifies that Official currently complies with the Policy.
4. Discloses the following information or facts regarding any actual or potential income, employment, compensation, Conflicting Interest Transaction, Business Opportunity, or pecuniary benefit, or other information or fact, that could impact Official's compliance with the Policy:

_____;

5. Upon discovering any information or fact regarding any actual or potential income, employment, compensation, Conflicting Interest Transaction, Business Opportunity, or pecuniary benefit, or other information or fact, that could impact Official's compliance, or another Official's compliance, with the Policy, agrees to disclose this information or fact to Cooperative's Chair or President; and
6. Upon not complying with the Policy, agrees to any sanction, disqualification, removal, or other action taken under the Policy.

Printed Name of Chair

Signature of Chair

Title

Date _____

Policy Bulletin NO. 52-5

SUBJECT: 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 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 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 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.

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.
- 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

05/01/2023

POLICY BULLETIN 2-5

SUBJECT: 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.~~

~~If allowed, the cost of the meter and services or connections to the premises will be borne by the 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. 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. Members 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 an regular RF meter per Cooperative standards or they may opt to relocate the RF meter under section I. of this policy.

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. 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. 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. 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

The above-listed residential deposit may not 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. The required General Power deposit balance is subject to review by the customer and by STEMC and may be reduced or increased based on the previous 12 months of billing history or other pertinent factors.

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 December 15th each year and credited to the customer's electric account in December of the same year.

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

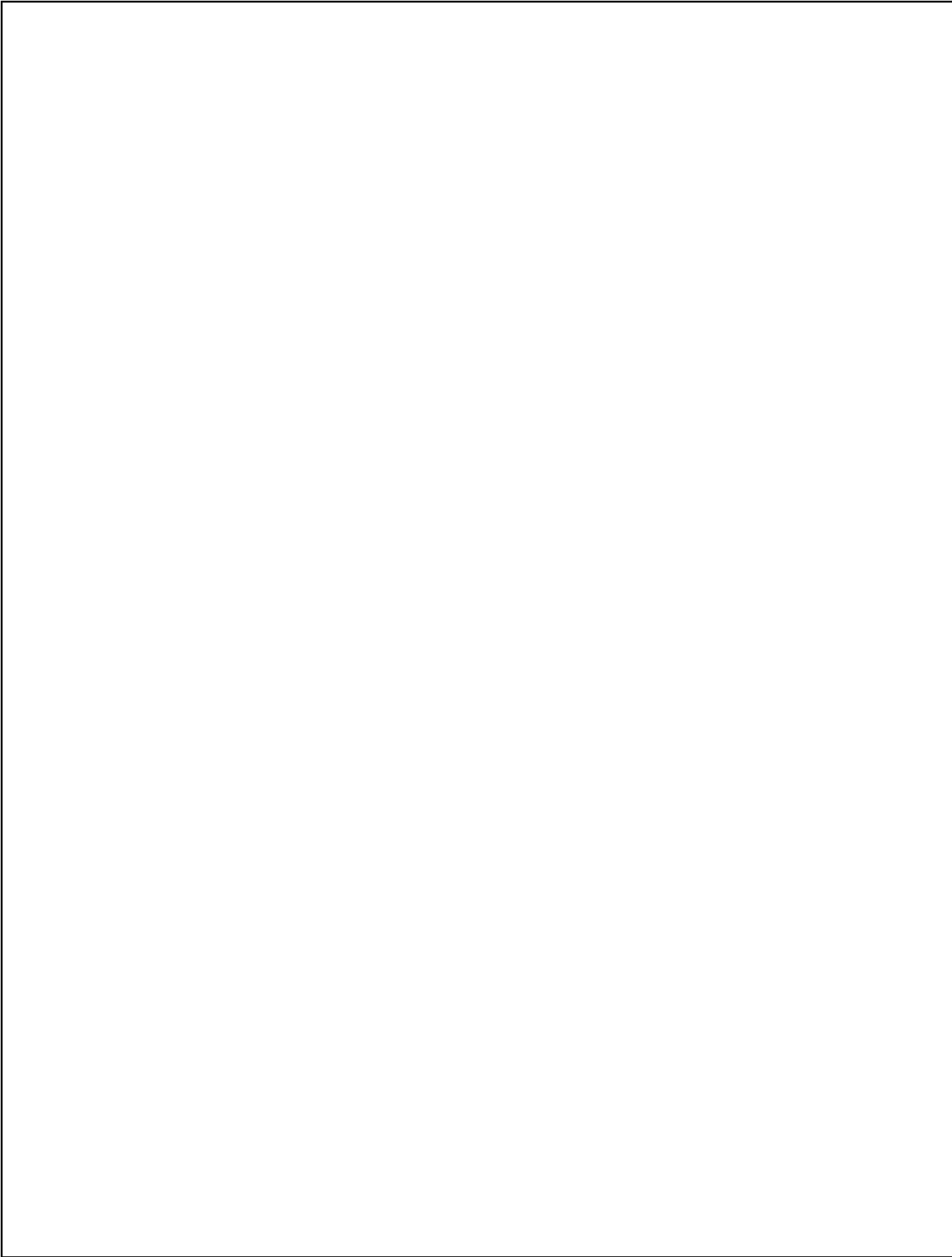
A deposit for an account, including earned interest, or remaining portion after crediting to the account, shall be refunded if the member has terminated service and full payment of all amounts due for said account have been settled.

VI. CASH ALTERNATIVES

- A. Service security other than cash may be considered when "Agreement for Purchase of Power" contracts are required for service.
- B. In lieu of a cash deposit, members may 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	04/25/2023
06/30/92	02/29/08	08/23/2024
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 twenty-five dollars (\$25.00), effective October 1, 2023, 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 twenty-five dollars (\$25.00), effective October 1, 2023, 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 October 1, 2023 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	Board Action: 08/29/2023

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.
- C. Members on the FlexPay program will receive notifications of disconnect as specified in the FlexPay program guidelines.

II. HEARINGS

- A. A consumer with a bill which qualifies as a disputed bill may be granted a hearing in order to present his 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 Cooperative Management 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 insure 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.

Board Action:

11/25/80

2/24/87

4/28/15

11/30/21

4/25/23

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