

CPWS



Columbia Power & Water Systems

Customer Policies and Procedures

BILLING ADJUSTMENTS

POLICY: In the event of an error or other abnormality, adjustments to a customer's account may be made by Customer Records staff and approved by CPWS management. Records must be maintained detailing the reason for the adjustment and providing a corrected bill calculation.

While CPWS may adjusted fees, penalties, or miscellaneous charges, amounts based on metered consumption may not be altered unless due to a billing or metering error. In the event of a billing or metering error, according to Tennessee Code Annotated § 28-3-301 and 302, CPWS will adjust the customer's bill by either issuing a credit to correct any overcollection or back-billing the customer to collect any undercollection. CPWS will only issue adjustments for charges in error within the previous thirty-six (36) months.

In the event of a residential water service leak or water fixture malfunction resulting in a bill exceeding three (3) times the average monthly bill, a residential customer's water bill may be adjusted provided that:

- The customer provides satisfactory evidence of a repair or statement documenting a solution to the water leak;
- The customer pays the average of the last twelve (12) months usage at the current water rate schedule;
- All consumption over the average usage shall be billed at CPWS' current water production cost schedule;
- Only one (1) bill adjustment will be permitted during a two (2) year period. (An event that spans more than one (1) monthly bill will be considered a single event.)

In the event of a commercial water service leak, the same conditions above must be met; however, the charges exceeding the average twelve (12) months usage will be billed at the current water rate schedule and may be spread over a twelve (12) month period.

BUDGET BILLING

POLICY: In order to provide consistent utility bill payments for customers interested in avoiding fluctuations in monthly utility costs, CPWS will provide a “budget billing” option for residential power and water accounts.

In order to qualify, the customer must have service at the residence for at least twelve (12) months. CPWS will review the usage over the last year and calculate the total power and/or water consumption. Ten percent (10%) is added to this total, and the total is divided into eleven (11) equal monthly payments using CPWS’ current rate schedule(s). On the twelfth (12th) month, the amount owed will be the difference between the amount collected and the amount owed over the twelve (12) month period. Any difference will be credited/debited to the customer’s twelfth (12th) month bill. Interest is not applied to any over or underpayment amounts.

Budget billing will begin with the next bill cycle after the customer completes an application to begin the budget billing process. The customer will be removed from budget billing if the account(s) are not paid in full by the assigned due date.

Except as stated above, unless the customer cancels the budget billing arrangement, CPWS will automatically recalculate the next year’s budget billing amount and place the new amount on the customer’s first (1st) bill for the next twelve-month period.

In the event of a significant rate change and/or unusual usage at the residence, CPWS may adjust the established budget billing amount at any point during a twelve-month period. If an adjustment is necessary, CPWS will send written notification to the customer.

COMMERCIAL DEPOSITS

POLICY: Columbia Power and Water Systems' (CPWS) commercial deposit policy is designed to mitigate the financial risk associated with providing utility services to commercial customers recognizing that most utility services are paid in arrears after the service has been consumed by the customer. All commercial and industrial customers are subject to providing a satisfactory deposit before receiving service.

If service is requested to a facility that has not been served by CPWS in the past, CPWS' management and/or engineering staff will determine a reasonable deposit for the account. For an existing business or facility operating under new proprietor(s), the deposit shall be an amount equal to two (2) times the average month's usage for the service address during the preceding twelve (12) months, rounded up to the next \$50.00. However, if CPWS management's believes the facility's usage will vary significantly from its historical usage, CPWS management and/or engineering staff may establish a reasonable deposit based on the new expected usage.

Small Commercial

Any deposits required for water, broadband, or electric services using less than 15,000 kWh and/or setting less than 50kW of demand shall be provided through a cash payment, a surety bond or irrevocable letter of credit acceptable to CPWS management. Deposits shall be maintained until the customer of record has received service from CPWS for sixty (60) months or until such time as the customer requests that service be discontinued to the facility. However, in the event the customer fails to maintain a good payment history (defined as during the past 15 months no more than three (3) late penalties were assessed, and/or service was not disconnected for non-payment), the customer will continue to maintain a deposit until fifteen (15) months of good payment history is maintained.

For customer's with a residential account in good standing with CPWS, requesting service to a residential appurtenance (such as a garage, barn, well, pump, pool house, etc. with no commercial purpose), the customer may execute a letter of personal guarantee authorizing CPWS to transfer any outstanding balance on the residential appurtenance to his or her residential account. Any transferred balance will be placed on the residential account's next monthly bill and subsequent failure to pay the transferred balance will result in the disconnection of the residence's service.

Effective: August 27, 2015

Large Commercial

Electric service provided to larger commercial accounts using more than 15,000 kWh or setting a demand in excess of 50kW shall maintain an adequate deposit until such time as the customer of record has received service from CPWS for twenty (20) years or until such time as the customer requests that service be discontinued to the facility. Upon reaching 20 years of service, the customer may request any deposits be returned, and CPWS shall release the deposit as long as the customer has maintained a good payment history (defined as during the past 36 months no more than six (6) late penalties were assessed, and/or service was not disconnected for non-payment). The customer will continue to maintain a deposit until 36 months of good payment history is maintained.

Deposits shall be provided through a cash payment, a surety bond or irrevocable letter of credit acceptable to CPWS management, or a credit insurance program provided through CPWS. If a customer chooses to utilize a credit insurance program, the customer must provide 20% of the required deposit in cash and agree that any insurance premiums may be placed on the commercial account's monthly bill. Deposits for larger commercial accounts shall be reviewed periodically, but not less than every five years, to determine that an adequate deposit remains on the account.

In the event CPWS receives notice that a surety bond, letter of credit or credit insurance coverage is to be revoked or terminated, the customer will be notified that the deposit must be immediately met through another means acceptable to CPWS management. If the customer fails to secure the deposit within fifteen (15) working days, any outstanding deposit will be divided into four (4) equal installments and placed on the customer's monthly bill.

In instances other than the revocation or termination of a security instrument, if CPWS' management determines the customer's deposit is insufficient, the customer will be notified in writing. If the customer fails to provide a sufficient deposit utilizing any of the means provided in this policy within 90 days, CPWS will place the required deposit amount on the account's monthly bill. If the outstanding deposit is less than \$5,000 it will be divided into six (6) monthly payments; if the outstanding deposit exceeds \$5,000 it will be divided into twelve (12) monthly payments.

CPWS will allow a customer with multiple accounts to establish a master deposit sufficient to cover the estimated usage of all accounts held by the customer. Should an account become delinquent, CPWS may apply the master deposit, or other deposits posted by that same customer, to recover any amounts owed by the customer. Should this occur,

Effective: August 27, 2015

the customer will be required to post adequate deposits on every account for which that customer is responsible.

Once each year CPWS will pay interest on cash deposits in the form of a credit on the customer's utility bill. The interest rate will be equal to the average interest rate paid by local financial institutions on regular passbook savings accounts. Customers are able to review their deposit and interest information by contacting CPWS during normal business hours.

Upon termination of service, the deposit will be applied against any unpaid bills of the customer and any remaining balance will be returned to the customer.

If the customer's account is current, but has an outstanding deposit, it will not hinder the customer from receiving services from CPWS or related entities. However, in the event an outstanding deposit has been placed on the customer's bill, any partial payment will be applied first to the outstanding deposit amount and then to the remaining billed services. Therefore, if the customer fails to provide funds sufficient to cover the full amount billed (including any required deposit), the account may be deficient and services may be disconnected.

Reduced temporary deposits may be established by Customer Service when the service is needed for temporary conditions such as cleaning, inspection, showing purposes, etc. The temporary deposit shall be set to cover the expected usage during the abbreviated usage period. Any excess payment will be returned to the customer upon service disconnection. An appropriate form must be completed by the customer or his/her representative.

Commercial customers will not be required to provide a deposit for broadband services, but a contract obligating the customer to a defined term of service may be required.

CUSTOMER IDENTITY THEFT PREVENTION

POLICY: Columbia Power and Water Systems (CPWS) is committed to identifying “red flags” that will alert our employees to the potential identity theft conditions. To detect, prevent, and mitigate customer identity theft, CPWS has established an Identify Theft Prevention Program that complies with the guidelines provided in 16 C.F.R. §681. This program is intended to:

- Prevent accounts from being opened using false information;
- Protect against the establishment of false accounts;
- Establish methods to ensure existing accounts are not accessed using false information; and
- Designate measures to respond to such events.

CPWS staff shall diligently carry out the instructions included in the Identity Theft Prevent Program, and the President/CEO shall report to the Board at its next meeting any incidents of identity theft or any breach of customer information.

Identity Theft Prevention Program for Columbia Power & Water Systems

CPWS Identity Theft Prevention Program

This Program is intended to identify Red Flags that will alert our employees when new or existing accounts are opened using false information, protect against the establishment of false accounts, establish methods to ensure existing accounts were not accessed using false information, and designate measures to respond to such events.

Contact Information:

The Senior Management Person responsible for this program is the Executive Vice President of CPWS.

The governing body of the Utility is Columbia Board of Public Utilities.

Effective Date: May 1, 2009; Revised May 25, 2011, May 27, 2015, June 24, 2020

IDENTITY THEFT PREVENTION PROGRAM OF COLUMBIA POWER AND WATER SYSTEMS

Columbia Power and Water Systems ("the Utility") maintains accounts for its customers to pay for utility service where bills are sent and payments are due monthly. These accounts are covered accounts under the Red Flag Rules adopted by the Federal Trade Commission (FTC) in 16 C.F.R. § 681.2. The Utility adopts this Identity Theft Prevention Program (the Program) to comply with 16 C.F.R. § 681.2 which is designed to detect, prevent and mitigate identity theft in connection with these customer accounts. The accounts covered by this Program shall be referred to as customer accounts.

SECTION I. DEFINITIONS

- A. For purposes of this Program, the term "Identity Theft" means a fraud committed or attempted using the identifying information of another person without authority.
- B. For purposes of this Program, the term "Red Flag" means a pattern, practice, or specific activity that indicates the possible existence of identity theft. Section II.C provides a specific description of which Red Flags are applicable to this policy.

SECTION II. IDENTIFICATION OF RELEVANT RED FLAGS

- A. **Risk Factors.** In identifying relevant Red Flags associated with customer accounts, the Utility's Board of Public Utilities ("the Board") and management have considered the following identity theft risk factors:
 - 1. Types of Covered Accounts – The Utility opens and maintains customer accounts for persons to pay for utility service rendered where bills are sent and payments are due monthly which are covered accounts.
 - 2. Methods for Opening Accounts - The Utility requires that persons or businesses which wish to receive utility service submit an application for utility service with enough information to verify their identity. The applicant for service is required to present to the customer service employee two forms of positive personal identification, including valid government-issued photo identification as proof of identity. The following information is normally obtained:
 - a. name of adult household members on the account;
 - b. address location where service shall be provided;
 - c. mailing address if different than service address;
 - d. contact and billing information;
 - e. Social Security Number or Tax Identification Number;
 - f. Driver's license number; and
 - g. employment information.

Additional identifying information may be obtained if necessary to verify the applicant's identity. If the applicant can not apply for service in person, the Utility requires that the application be notarized.

3. Methods for Accessing Accounts - The Utility allows customers to access information related to their accounts using the following methods:
 - a. in person at the Utility office with a proper identification;
 - b. over the telephone after providing the customer service employee with certain identifying information such as any of the following: the address and telephone number of the service location, CPWS account number of the service location, the last four digits of the member's Social Security Number, Tax Identification Number, a password; and
 - c. Over the Internet using a secure password.
 4. Previous Experience with Identity Theft - The Utility is not aware of any security breach of or unauthorized access to its system used to store customers' identifying information. The historical absence of identity theft of its customers' information is due to (1) the limited services and credit provided to its customers, both of which are tied to an immovable physical location; (2) the minimal size of the population it serves; (3) the relatively low rate of change in customer base; and (4) the Utility's procedures for securing customers' personal information.
- B. **Sources of Red Flags.** In identifying relevant Red Flags associated with customer accounts, the Board and management have considered the following sources of Red Flags for identity theft:
1. Past Incidents of Identity Theft. As described in Section II.A.4. above, the Utility is not aware of any security breach of or unauthorized access to its system used to store customers' personal identifying information collected by the Utility. In the event of incidents of identity theft in the future, such incidents shall be used to identify additional Red Flags, and this Program will be amended accordingly.
 2. Identified Changes in Methods of Identity Theft. The Utility will review methods of identity theft it has identified to assess changes in identity theft risks.
 3. Applicable Supervisory Guidance. As a part of its annual review, the Utility will review additional regulatory guidance from the FTC and other consumer protection authorities on new identity theft risks and recommended practices for identifying, detecting, and preventing identity theft.
- C. **Categories of Red Flags.** In identifying relevant Red Flags associated with customer accounts, the Board and management have considered the following categories of Red Flags for identity theft.
1. Alerts, Notifications, and Warnings from Consumer Reporting Agencies. Alerts, notifications, or other warnings received from consumer reporting agencies can be Red Flags for identity theft. Such alerts, notifications and warnings include:
 - a. A fraud or active duty alert is included in a consumer report;
 - b. A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report;
 - c. A consumer reporting agency provides a notice of address discrepancy; and
 - d. A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or customer, such as:
 - (1) A recent and significant increase in the volume of inquiries;
 - (2) An unusual number of recently established credit relationships;
 - (3) A material change in the use of credit, especially with respect to recently established credit relationships; or
 - (4) An account that was closed for cause or identified for abuse of account privileges.

2. Suspicious Documents. The presentation of suspicious documents can be a Red Flag for identity theft. Presentation of suspicious documents includes:
 - a. Documents provided for identification that appear to have been altered or forged;
 - b. The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification;
 - c. Other information on the identification is not consistent with information provided by the person opening a new account or the customer presenting the identification;
 - d. Other information on the identification is not consistent with readily accessible information that is on file with the Utility such as the customer's application for service; and
 - e. An application for service appears to have been altered or forged or gives the appearance of having been destroyed and reassembled.

3. Suspicious Personal Identifying Information. The presentation of suspicious personal identifying information can be a Red Flag for identity theft. Presentation of suspicious personal identifying information occurs when:
 - a. Personal identifying information provided is inconsistent when compared against external information sources used by the Utility;
 - b. Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer;
 - c. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by the Utility, for example:
 - (1) The address on an application for service is the same as the address provided on a fraudulent application; or
 - (2) The phone number on an application is the same as the number provided on a fraudulent application.
 - d. Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by the Utility. For example:
 - (1) The address on an application is fictitious, a mail drop, or a prison; or
 - (2) The phone number is invalid or is associated with a pager or answering service.
 - e. The Social Security Number provided is the same as that submitted by other persons opening an account or other customers.
 - f. The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other customers.
 - g. The person opening the covered account or the customer fails to provide all required personal identifying information on an application for service or in response to notification that the application is incomplete.
 - h. Personal identifying information provided is not consistent with personal identifying information that is on file with the Utility.
 - i. The person opening the account or the customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.

4. Suspicious Activity. The unusual use of or other suspicious activity related to a customer account can be a Red Flag for identity theft. Suspicious activities include:
 - a. Shortly following the notice of a change of address for a customer account, the Utility receives a request for the addition of other persons to be served at the address on the account.
 - b. A customer fails to make the first payment or makes an initial payment but no subsequent payments on the account.
 - c. A customer account is used in a manner which is not consistent with established patterns of use on the account such as:
 - (1) Nonpayment when there is no history of late or missed payments; or
 - (2) A material change in the amount of utility service purchased;
 - d. Mail sent to the customer is returned repeatedly as undeliverable although utility purchases continue to be made on the customer account.
 - e. The Utility is notified that the customer is not receiving paper account statements.
 - f. A customer requests that the Utility provide the customer with personal identifying information from the Utility's records.

5. Notices. Notices of potential identity theft are serious Red Flags which notices shall include:
 - a. Notice from customers, law enforcement authorities or other persons indicating that a customer may have been a victim of identity theft;
 - b. Notice to the Utility that a customer has provided information to someone fraudulently claiming to represent the Utility;
 - c. Notice to the Utility that a fraudulent website which appears similar to the Utility's website is being used to solicit customer personal identifying information;
 - d. The Utility's mail servers are receiving returned e-mails that the Utility did not send indicating that a customer may have received fraudulent e-mail soliciting customer personal identifying information.

SECTION III. DETECTING RED FLAGS

- A. The Utility shall obtain identifying information about a person opening a customer account and shall verify the identity of the person opening a customer account. The Utility will obtain enough information to verify the applicant's identity before opening a customer account.
 1. name of adult household members on the account;
 2. address location where service shall be provided;
 3. mailing address if different than service address;
 4. contact and billing information;
 5. Social Security Number or Tax Identification Number;
 6. Driver's license number; and
 7. employment information.

- B. Additional identifying information may be obtained if necessary to verify the applicant's identity.

- C. The applicant for service is required to present to the Utility customer service employee two forms of positive personal identification, including valid government-issued photo identification as proof of identity.

- D. The Utility shall not provide identifying information to its customers, either verbally or in writing, even when a customer is asking for the customer's own information.

- E. For existing customer accounts the Utility shall authenticate customers, monitor transactions and verify the validity of change of address requests.

SECTION IV. PREVENTING AND MITIGATING IDENTIFY THEFT

- A. If a Utility employee detects a Red Flag on a customer account or application for a new customer account, the Utility employee shall notify the Vice President of Customer Service or the Executive Vice President that the employee has detected a Red Flag. The Executive Vice President may take the following steps to prevent identity theft:
 - 1. Monitoring a customer account for evidence of identity theft;
 - 2. Changing any passwords, security codes, or other security devices that permit access to a customer account;
 - 3. Reopening a customer account with a new account number;
 - 4. Closing an existing customer account;
 - 5. Not opening a new customer account;
 - 6. Not attempting to collect on a customer account;
 - 7. Notifying the customer;
 - 8. Notifying law enforcement; or
 - 9. Determining that no response is warranted under the particular circumstances.

- B. If the Utility discovers that any of its customers have become victims of identity theft, the Utility shall notify the customer and local law enforcement.

- C. Existing policies not included within this document, but shall be included in the Identity Theft Prevention Program:
 - 1. CPWS Operating Policies and Procedures
 - a. Establishing Service
 - b. Records Retention Program
 - c. System Security – Passwords
 - d. System Security – Software and File Access
 - e. System Backups and Testing
 - f. Public Access to Records
 - g. Software Changes and Modifications
 - h. Commercial and Residential Deposit Policy

 - 2. CPWS Employee Handbook
 - a. Personal Conduct Policy
 - b. Computer Use Policy

SECTION V. PROGRAM UPDATES AND ADMINISTRATION

- A. The Utility shall review the Program at least annually to assess changes in risks to customers of identity theft. In updating the Program, the Utility shall consider the following:
 - 1. the Utility's experiences with identity theft;
 - 2. changes in methods of identity theft;
 - 3. changes in methods to detect, prevent, and mitigate identity theft;
 - 4. changes in the Utility's types of customer accounts; and
 - 5. changes in business arrangements involving mergers, acquisitions, alliances, joint ventures and third party service providers.

SECTION VI. PROGRAM ADMINISTRATION

- A. The Program shall be approved by the Board. The Executive Vice President shall oversee the administration of the Program. The Executive Vice President may assign specific responsibility for the implementation of the Program to Utility employees. The Executive Vice President shall review reports prepared by Utility employees under subsection VI.B.
- B. The Executive Vice President shall provide annual training for all new employees who will have access to sensitive customer information. The training shall discuss the identification of relevant red flags, detection of red flags, and the prevention and mitigation of identity theft. Furthermore, all employees, who have completed the anti-fraud prevention training, will receive a copy of the CPWS Identify Theft Prevention Program annually.
- C. The Executive Vice President shall prepare and present a written report to the Board should any incident of identity theft or any breach of customer information occur at CPWS. This report shall be presented at the Board meeting following the documented incident.
- D. The Executive Vice President's report shall be incorporated into the minutes of the Board meeting at which the report is given.
- E. The Utility has business relationships with third party service providers. Under these business relationships, the third party service providers have access to customer identifying information covered under this Program. The Executive Vice President shall ensure that a third party service providers' work for the Utility is consistent with this Program by:
 - 1. Amending contracts with the third party service providers to incorporate these requirements; or
 - 2. Determining that the third party service providers have reasonable alternative safeguards that provide the same or a greater level of protection for customer information as provided by the Utility.

SECTION VII. EFFECTIVE DATE

- A. May 1, 2009; revised May 25, 2011, May 27, 2015, June 24, 2020

Customer Service Fees

POLICY: In addition to fees and payments outlined on other policies, Columbia Power & Water Systems (CPWS) has established a Customer Service fee schedule to recover the cost of certain customer-related expenses.

Account Creation Fee	
Power	\$25
Water	\$25
Late Fee	5% (first \$250 and 1% above)
Returned Check Fee	\$30
Reconnection Fee	
During Business Hours	
Automated Reconnection	\$15
Onsite Reconnection	\$25
Crew Reconnection	\$100
Holidays and All Other Times	
Automated Reconnection	\$15
Onsite Reconnection	\$75
Crew Reconnection	\$150
Metering Testing Charge	\$25 (owed if meter is correct)

Effective: February 1, 2015

DISCONNECTION & RECONNECTION

POLICY: If a customer neglects to pay a utility bill, Columbia Power & Water System's (CPWS) recourse is to disconnect service to the customer's premise. In order to provide adequate time for the customer to pay an outstanding balance, CPWS will not disconnect service sooner than the next business day following twenty-one (21) days after the customer's bill date.

CPWS will not process disconnect orders the day before a weekend or a CPWS holiday, unless the customer has failed to honor a payment arrangement or the customer's payment was declined by their financial institution. Furthermore, CPWS will not process disconnect orders during extreme weather, such as when the temperature is forecast to fall below thirty-two (32) degrees or rise above ninety-six (96) degrees for the upcoming twenty-four (24) hour period at Columbia, Tennessee, as determined at 8AM each day using data from AccuWeather.com.

Customers paying with a check that is not honored by their financial institution are subject to a return check fee, and the customer is responsible for the payment of their account based on the original bill date or services will be subject to disconnection. The requirement also applies to unapproved credit card payments or payments cancelled by the credit card company.

Due to the expense involved in disconnecting large commercial and industrial customers, every effort will be made to contact an appropriate authority at the customer's main office prior to disconnecting service.

Notice

CPWS will send a separate past due notice to customers with unpaid balances exceeding \$50. The past due notice informs the customer that if payment is not made, service may be disconnected. Furthermore, if the customer believes that any of the amounts listed on the bill are in error, they must notify CPWS at least one day prior to the deadline printed on the notice for a hearing of their dispute.

Payment Counseling

Customers unable to pay an outstanding balance are encouraged to speak to a CPWS Customer Service Representative prior to disconnection. CPWS may be able to provide payment arrangements that could extend the pending disconnection date. Also, Customer Service Representatives will attempt to help customers locate government or non-profit support agencies that may be able to provide financial assistance.

Effective: October 27, 2016

Life Support Equipment

If a customer has a medical condition requiring the use of life support equipment, the customer must provide documented evidence from a medical professional stating that the customer must use electrically-powered equipment to sustain their life. In such circumstances, if the customer's bill is past due and pending disconnection, CPWS will send a certified letter to the customer and the Tennessee Department of Human Services. This letter will state that a limiting device will be installed at the customer's premise restricting the flow of electricity, but providing enough electricity to power the medical equipment. Notice regarding this limiting device will also be placed on the customer's door when the limiting device is installed. If adequate payment has not been received at CPWS' Service Center within ten (10) business days following the installation of the limiting device, service will be completely disconnected.

Reconnection

Service to a customer's premise will be reconnected once the customer has paid the outstanding balance in full. The customer will be charged a reconnection fee based on the current CPWS Customer Service Fee schedule. All utility services may be reconnected during normal business hours; however, if service was disconnected due to non-payment, only power services will be reconnected after normal business hours.

In the event of an abnormality, or uncertainty with whether an after-hours payment was received, CPWS may authorize a temporary power reconnection until 10AM the next business day to so customer service personnel can review the situation.

ESTABLISHING SERVICE

POLICY: Any customer who wishes to receive service from Columbia Power & Water Systems (CPWS) will comply with the following requirements:

- The customer must accurately complete an application for service form, which may be modified by CPWS from time-to-time.
- Service must be established in the name of the legal occupant of the property, i.e., the owner, legal tenant, or a legal guardian if the owner or tenant should be incapacitated. Service provided in the name(s) of a deceased person(s) must be changed to the name of the current legal occupant of the property. CPWS may disconnect service if the account records are not updated to include the current legal occupant within thirty (30) days of receiving written notice from CPWS.
- CPWS requires the spouse's name be listed on residential account records. A spouse's name may be removed from the account if proof of a divorce is presented to CPWS. Any person of legal age residing at the location may be held responsible for charges at that location since they benefited from the delivery of utility services.
- Each applicant must show two forms of positive personal identification, one of which must be photo identification supplied by a governmental entity. If an applicant is unable to come to CPWS' office, a completed application form may be transmitted to CPWS as long as it is signed by the customer and properly notarized.
- Every applicant for service must meet the obligations listed in CPWS' customer deposit policy.
- CPWS may refuse service to anyone with unpaid bills and charges owed for the utility service requested. Half of any outstanding balance must be paid at the time of application, with the remaining half placed on the first month's bill. Failure to pay the remaining delinquent amount by the due date of the first month's bill will result in disconnection.
- The location at which service is requested must comply with applicable safety rules and regulations. Any property with more than twelve (12) months without an active electric service must pass an electrical inspection prior to CPWS reactivating the service.

Effective: February 1, 2015

- Based on the size of the requested electrical service, a commercial customer may be required to execute a power contract with CPWS prior to receiving service. The power contract will stipulate requirements for service, including the establishment of a minimum bill amount. A minimum bill requirement is provided to recover the cost to serve the required electrical load.
- It is understood that CPWS may discuss service or account issues with anyone associated with a commercial or industrial entity, not simply the individual listed on the account.

CPWS does not discriminate on the basis of race, color, national origin, age, sex, marital status, or mental or physical handicap in access to, or operation of, its programs, services, and/or activities.

Effective: February 1, 2015

INFORMATION TO CUSTOMERS

POLICY: Columbia Power & Water Systems (CPWS) has a responsibility to effectively communicate its policies, rules, and rates to all interested customers. To that end, CPWS is committed to making available pertinent information to the public.

CPWS' current customer service policies will be maintained on CPWS' website (www.cpws.com). New customers will be informed how to access this information. Upon request, printed versions of these policies will be provided to new and existing customers at the CPWS Service Center during working hours.

Current utility rate information is also available on the CPWS website. Changes in rates and policies will be communicated to customers through the CPWS website and other effective means of distribution.

Service delivery standards and technical requirements are available upon request from CPWS engineering staff.

A customer may request historical consumption and billing data for their residential or commercial account from a CPWS customer service representative. Such information is also available after receiving logon credentials to the CPWS website. CPWS retains at least thirty-six (36) months of billing information for review.

METERING

Columbia Power and Water Systems (CPWS) utilizes an advanced metering infrastructure (AMI) to accurately and efficiently read its power and water meters. The meter data is transmitted at regular intervals and is stored using industry-accepted protocols.

Meter Care and Access

The power and/or water meter installed at a customer's premise is the property of CPWS. All meters are legally sealed for your protection and the protection of Columbia Power and Water Systems. However, as a condition of service, the customer is responsible for the care and custody of the meter and may be assessed for loss or damages. Removing, damaging, or tampering with any CPWS meter is prohibited.

The customer is responsible for ensuring safe access to the meter by CPWS personnel. This includes keeping the meter free from obstruction, restraining pets, and/or removing locks or other obstacles that might inhibit access to the meter. Customer gates with locks shall have CPWS lock installed to allow access to meter. Failure by the customer to provide ready access and/or remove obstructions may result in disconnection of service. Additionally, a service fee (listed in the Customer Service Fees policy) may be assessed to the customer if CPWS is required to make multiple trips to the customer's location due to meter obstructions.

Meter Inspections and Testing

CPWS will periodically inspect meters installed at a customer's premise. An onsite inspection may require removing the meter for testing. In addition to regular diagnostic testing, a customer may request a meter's accuracy be verified. If the meter tests accurately according to industry standard (+/- 2%), the customer may be assessed a meter testing fee (listed in Customer Service Fees). Any account adjustments will be provided pursuant to CPWS' Billing Adjustments Policy.

Unmetered Accounts

A service may be unmetered due to installation challenges or predictable usage requirements. In such instances, the Vice President of Power Operations and/or the Vice President of Water Operations will define the terms for billing and the method of calculating the cost of the unmetered service.

Master Meters

In the event customer is developing facilities requiring more than one (1) electric meter, it is preferred that the customer shall have one (1) water meter for each electric meter. However, if customer desires to master meter the water service at a multi-family dwelling or a commercial facility with more than one electric meter, CPWS will allow water master metering provided the account will be in the facility owner's name. The facility owner may not resale water to its tenants. Therefore, a water charge may not be a separate part of the lease. Additionally, in the event the facility owner sells a portion of the facility, a new water meter(s) must be installed to serve the sold portion of the

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facility. For purposes of this policy, a multi-family dwelling is a facility that includes five (5) or more dwelling units or a manufactured home park or subdivision with four (4) or more manufactured homes.

Theft of Service

CPWS has the right and responsibility to investigate the condition of its meters if CPWS has reason to believe the meter has been tampered with or modified in an undesirable manner, especially if theft of service is suspected. CPWS personnel will document any potential theft of service and may report the potential theft to appropriate law enforcement officials.

After CPWS completes its investigation, the customer may be assessed fees and charges to compensate CPWS for the cost of the investigation and the estimated unmetered power and/or water consumption (based on historical averages). Additionally, the customer may face criminal prosecution for the theft of service.

PAYMENT ARRANGEMENTS

POLICY: A residential customer may be allowed to establish a payment arrangement for his/her bill to avoid interruption of service. The following guidelines must be met for CPWS to accept an extended payment arrangement and the service remain active:

- Current residential customers with at least two months of consecutive payment history may qualify.
- Customers desiring to make a payment arrangement must agree to a payment plan. Only the customer of record on the account may initiate a payment plan.
- CPWS will only accept a payment arrangement for balances over \$50.
- The customer must pay at least one-half of the total balance to establish a payment arrangement. The remaining half of the balance must be paid no more than one (1) week following the regularly scheduled disconnection date.
- CPWS will also provide a payment arrangement establishing that all of the outstanding balance must be paid within three (3) working days after the disconnect date. Service will be subject to disconnection on the fourth (4th) working day unless the balance is paid in full.
- All CPWS customers are limited to four (4) payment arrangements within a twelve (12) month period.

Failure by the customer to honor the payment scheduled provided in the payment arrangement will result in disconnection of service. All outstanding balances, including any additional service charges, must be paid before service is reconnected.

In the case of a confirmed medical hardship, CPWS management may authorize an extended payment arrangement that permits a payment beyond one (1) week following the regularly scheduled disconnect date. However, in no circumstance shall the payment arrangement allow the past due balance to extend beyond the customer's next regularly scheduled due date. In every instance where CPWS management authorizes an extended payment arrangement, a written record must be maintained describing the reason for the extended payment arrangement.

Effective: February 1, 2015

PAYMENT METHODS

POLICY: CPWS seeks to provide its customers with a wide variety of payment methods. Understanding the financial burden of a utility bill, CPWS desires to make the collection process as easy as possible.

Residential customers and small commercial (GSA1) customers may elect to pay a CPWS bill using cash, check, credit card, money order, or bank draft.

Large commercial (GSA2, GSA3) and industrial customers may elect to pay a CPWS bill using cash, check, money order, or bank draft.

Cash payments are accepted during normal business hours at the Service Center by walking into the office or by utilizing the drive-thru. During normal business hours, check and credit payments can be made in person at the Service Center or by phone. Customers may also pay by check or credit card anytime using the Internet. A money order may be used at the Service Center during normal business hours as well. A night drop is located at the Service Center for customers wishing to drop off a check or money order after business hours. Mail is also an option for customers paying with check, credit card, or money order.

Bank draft is available to any customer who authorizes CPWS to make reoccurring debits into the banking account of his or her choice on a monthly basis. The transaction will occur on the bill due date.

Regardless of the method used by the customer, all fees and/or charges associated with the payment methods discussed above will be incurred by CPWS. No additional charges will be created as a result of the customer's payment method.

Effective: February 1, 2015

PREPAY PROGRAM

POLICY: To provide flexibility for customers desiring to track utility usage and pay outside the traditional arrears billing model, Columbia Power and Water Systems (CPWS) has implemented a Prepay Program. All customers participating in the Prepay Program must voluntarily agree to the terms provided in a Prepay Customer Agreement.

In addition to other program details described in the Prepay Customer Agreement, customers must agree to the following:

- Prepay customers must pay all standard connection and disconnection charges.
- Prepay customers must provide an initial minimum balance, as specified in the Prepay Customer Agreement.
- All past due balances must be paid in full, or the customer must agree to place any outstanding balance in “debt recovery” and allow 30% of all future utility payments to be used to reduce the outstanding balance.
- Prepay customers will not be allowed payment extensions nor can they participate in budget billing or bank draft payment programs.
- Prepay accounts will be disconnected if the customer does not maintain a positive balance.
- Medical hardships or the use of lifesaving medical equipment will not postpone disconnection for non-payment.
- Prepay customers agree to be charged a \$0.20 per day surcharge to participate in the program.
- Prepay customers will not receive a normal monthly billing statement.
- Prepay accounts can be converted back to a traditional billing account at any time, in accordance with CPWS’ normal deposit and connection policies.

CPWS’ Prepay Program will comply with the regulatory standards of the Tennessee Valley Authority or other statutory requirements.

Effective: August 24, 2016

RESIDENTIAL DEPOSITS

POLICY: Columbia Power and Water Systems' (CPWS) residential deposit policy is designed to mitigate the financial risk associated with providing utility services to residential customers recognizing that most utility services are paid in arrears after the service has been consumed by the customer. All residential customers are subject to providing a satisfactory deposit before receiving service.

Any existing CPWS customer that has had service with CPWS within the previous fifteen (15) months, and who maintained a good payment history, will not be required to maintain a deposit or be charged a deposit for a service transfer. For the sake of this policy, a "good payment history" is defined as during the prior 15 months no more than three (3) late penalties were assessed and/or service was not disconnected for non-payment. Payment history letters from other utility providers are not accepted in lieu of the standards identified in this policy.

For power and water services, the standard deposit amount shall be an amount equal to two (2) times the average month's usage for the service address during the preceding twelve (12) months, rounded up to the next \$10.00 (provided a maximum of \$400 for electric deposits a maximum of \$100 for water deposits). If the service address is new and has not had service before, the initial deposit shall be based on two (2) times the average usage of all residential customers, currently \$250 for power and \$50 for water. For broadband services, the standard deposit amount shall be \$50.

The deposit for new applicants (but not current or former CPWS customer with a poor payment history) may be reduced based on the applicant's credit score as determined by the credit scoring provided by ONLINE Utility Exchange.

- New-service applicants who pose no credit risk (Green Light returned on ONLINE Utility Exchange) will not be charged a deposit.
- New-service applicants who pose minimal risk (Yellow Light or No Record returned on ONLINE Utility Exchange) will be charged a deposit of one month's average usage for power and water at the service address, and no deposit is required for broadband services.
- New-service applicants who pose substantial credit risk (Red Light returned on ONLINE Utility Exchange or reported as having bad debt with another provider) will be charged the standard deposits listed above.

Effective: August 27, 2015

An applicant who provides a social security number that is returned as deceased, non-issued, belonging to a person under the age of 18, belonging to a person other than the applicant, or is fraudulent in any way shall be required to provide a valid social security number as well as additional proof of identity (i.e. valid driver's license, Social Security card, etc.). If the applicant is unable or unwilling to do so, the standard deposit shall be charged.

If a residential customer with a poor payment history, or who according to ONLINE Utility Exchange poses a substantial credit risk, requires in-home equipment to receive service from CPWS (such as a television set-top box, cable modem, etc.) the customer must provide a deposit sufficient to cover the equipment's replacement cost. CPWS management will maintain a current deposit schedule for such equipment.

At any point after fifteen (15) months of service, a residential customer with a good payment history may request a deposit reduction or a refund to the customer's account. However, if a customer's service is disconnected for non-payment, CPWS may evaluate the adequacy of the deposit and require an increase in the deposit amount or to re-establish a previously refunded deposit.

Once each year, CPWS will pay interest on deposits in the form of a credit on the customer's utility bill. The interest rate will be equal to the average interest rate paid by local financial institutions on regular passbook savings accounts. Customers are able to review their deposit and interest information by contacting CPWS during normal business hours.

Should an account become delinquent, CPWS may transfer the outstanding balance to another account held by that same customer. CPWS will allow a customer with multiple accounts to establish a single deposit sufficient to cover the estimated usage of all accounts held by the customer.

Upon termination of service, the deposit will be applied against any unpaid bills of the customer and any remaining balance will be returned to the customer. Any deposit refunds in excess of the remaining balance will be provided to the customer of record.

Reduced temporary deposits may be established by Customer Service when the service is needed for temporary conditions such as cleaning, inspection, showing purposes, etc.. The temporary deposit shall be set to cover the expected usage during the abbreviated usage period. Any excess payment will be returned to the customer upon service disconnection. An appropriate form must be completed by the customer or his/her representative.

Effective: August 27, 2015

TERMINATING SERVICE

POLICY: A customer may voluntarily terminate service with Columbia Power & Water Systems at any time provided the following conditions are met:

- Only the customer or record listed on the account may terminate service with CPWS.
- A customer wishing to terminate a utility service should notify a CPWS customer service representative no later than 2PM on the workday the customer desires to have service terminated.
- Any charges accrued to the account before the termination date are the responsibility of the disconnecting customer. All remaining unbilled charges will be placed on a final bill and sent to the customer of record. If the customer fails to pay the final bill, CPWS may pursue debit collection proceedings and the customer may be denied future service from CPWS until all uncollected charges are paid in full.

Effective: February 1, 2015

TRANSFERRING SERVICE

POLICY: At a customer's request, the party legally responsible for service at a location may be transferred to another party without requiring a service disconnection and reconnection under the following conditions:

- A definitive transfer date is provided.
- CPWS will not accept requests for transfer more than thirty (30) days before the requested effective transfer date.

Owners of rental property may execute a Landlord/Tenant Agreement directing CPWS to automatically transfer responsibility for CPWS services at a rental property to the owner upon a tenant's vacating of the property. No connection charge will be assessed to the owner if an agreement is in place.

It shall be the owner's responsibility to direct any new tenant to transfer service with CPWS and accept responsibility for the account. A new tenant will be assessed any required connection fee(s) and must meet all deposit requirements. In the event service is disconnected for non-payment by a tenant, the service shall remain inactive until satisfactory payment is received or the owner notifies CPWS the tenant has vacated and the account is transferred to either a new tenant or the owner.

A Landlord/Tenant Agreement will remain in effective until terminated by the owner.

Effective: February 1, 2015

UTILITY BILLING

POLICY: On a monthly basis, Columbia Power & Water System (CPWS) will send a bill to all active customers receiving utility services during the billing period. The due date presented on the bill will be no less than fifteen (15) days following the bill date, but resting on a CPWS work day.

Late Fee

If payment is not received by the close of business on the due date listed on the bill, the account will be assessed a late fee. The late fee will be calculated separately for each utility service at five percent (5%) for the first \$250 listed on the current bill plus one percent (1%) of any remaining balance over \$250. The projected late fee will be listed on each month's bill providing notice when the fee will be assessed if the balance is not paid.

Past Due Notice

Outstanding balances in excess of \$50 on accounts unpaid seventeen (17) days after the bill date will be mailed a past due notice on the next business day. The past due notice will report the total amount due, and a specific date and time by which the payment must be received at CPWS' Service Center to avoid disconnection. The past due notice will state that if the customer believes that any of the amounts listed on the bill are in error, they must notify CPWS at least one day prior to the deadline printed on the notice for a hearing of their dispute.

Sales Tax

All bills will be subject to State of Tennessee Department of Revenue sales tax requirements. If a customer possesses a sales tax exemption certificate from the State of Tennessee, a current and valid copy of the certificate must be provided to CPWS.