

ADMINISTRATIVE GUIDELINES

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DEPOSIT/REFUND POLICIES

It is the policy of the Cooperative to charge a security deposit on each account. A deposit is equal to 2/12 annual bill based on the last twelve (12) months usage at that location. If there is insufficient usage history, the deposit is determined from the chart below which is calculated based on the average usage of all consumers in each class.

807 KAR 5:006, Section 8. Deposits. (1) Determination of Deposits.

STANDARD DEPOSIT (2 MONTHS) FOR EACH CLASS:

(With good credit history and without deposit history.)

Domestic – 400 amp House or Building.....	\$720.00
Domestic – 200 amp House, Doublewide or Building.....	\$360.00
Domestic – 100 amp House or Building.....	\$260.00
Mobile Home – 200 amp.....	\$330.00
Mobile Home – 100 amp.....	\$260.00
General Services.....	\$100.00
Camps.....	\$130.00
Barns, Water Pumps.....	\$100.00
Churches.....	\$280.00
Small Commercial.....	\$370.00
Flood Light.....	\$135.00
New Security Light.....	\$120.00

*Applied toward final bill with remainder refunded to consumer or transferred to another existing account.

PRE-PAY ACCOUNTS

If a residential member does not want to pay a deposit, the member may choose to participate in a Pre-Pay account.

1. The member must pay a \$15.00 membership fee, any other appropriate fees and at least \$100.00 on the new account.
2. If the member owes an outstanding balance to the Cooperative of \$500.00 or less, 30% of each subsequent payment to the account will be credited to Debt Management toward the resolution of the outstanding balance.
3. Any outstanding balance over \$500.00 must be paid in full.
4. Members can add money to their account at any time, online at our website; by phone; or at the Cooperative during office hours using cash, credit or debit card or check.
5. Existing members who wish to change their account to Pre-Pay may use their deposit on file to either reduce their current or outstanding balance or to establish the Pre-Pay account with at least \$100.00 credit balance on the new account, plus any necessary fees.
6. Members who participate in Pre-Pay must have valid contact information for balance alerts. Failure to keep the Cooperative informed of valid contact information will not keep an account from being disconnected.

GOOD CREDIT

A member's credit is in good standing if, in the last twelve months they have not had two or more delinquent payments, have not been on the delinquent list at all and have not had two or more returned checks. The member is also subject to a background credit check.

DEPOSIT REFUNDS/RE-CALCULATION OF DEPOSITS (Residential)

At the consumer's request, a residential deposit can be recalculated after one (1) year of actual usage, if the member has good credit. If the amount of deposit differs by more than \$50.00 on a residential account, the utility will refund the excess amount. No refund of deposit will be made to any member who does not meet good credit criteria. Any refund will be made either by check or credit to the consumer's bill.

ADDITIONAL DEPOSITS

Each year in April, the Cooperative will review deposits on accounts that have been delinquent more than two (2) times in the past twelve (12) months, and/or have had two (2) or more returned checks. Any member who owes an additional deposit shall be sent a letter explaining the reason for the additional deposit and given an opportunity to make arrangements to pay the deposit in a timely manner.

DEPOSITS ON COMMERCIAL ACCOUNTS

All Commercial Accounts will be required to pay a deposit or provide an Irrevocable Letter of Credit or Surety Bond. Commercial account deposits are non-refundable until the account is closed. If the current deposit is not sufficient or if the commercial member has established credit history that is not consistent with cooperative business policies and tariffs on file with the Kentucky Public Service Commission, the Cooperative has the right to bill the consumer for any necessary additional deposit amount.

LARGE POWER AND INDUSTRIAL ACCOUNTS

Will be determined on a case by case basis.

INTEREST PAID ON DEPOSITS

Interest is accrued on deposits as prescribed by KRS 278.460. The Public Service Commission will determine the rate and post to its website no later than December 15. Interest accrued shall be credited to the consumer's electric account on an annual basis in February each year.

DEPOSITS ON CAMPS, BARNs, WATER PUMPS, ETC.

Deposits paid on camps, barns, water pumps, etc. are not eligible to be refunded after one year of good credit history. They are not considered a permanent dwelling or structure. Deposits will be refunded after all indebtedness is paid, or can be applied to the final bill on that account.

GOOD CREDIT/SECURITY DEPOSITS

If the member's credit history meets our criteria, a deposit may be waived. New members with no credit history or credit history that does not meet our criteria will be charged a deposit as outlined below. Existing members who become credit risks, or are establishing a new or additional account may be subject to a credit check and a check of their credit history with Grayson R.E.C.C. Existing members who do not meet the "Good Credit" criteria shall be charged a deposit on any or all accounts. Accounts that are subject to additional deposit requirement will be checked each April and members will be notified. These members will be given an appropriate period of time to pay the required additional deposit.

If a house burns, a standard deposit will apply. If the member re-builds in less than one year, the connect fee will be waived.

DEPOSITS FOR NON-PROPERTY OWNERS

In accordance with the Kentucky Public Service Commission rules and regulations, "A utility shall not require a deposit based solely on the consumer being a tenant or renter. Tenants or renters shall be subject to the criteria established above."

AGREED READINGS

1. A written agreed reading signed and dated by the person in whose name the bill is currently paid or a phone call to the Cooperative by the person in whose name the bill is currently paid must be received in order to change the name on an existing account. This agreed reading will serve to show that the existing member agrees to have the bill taken out of their name on a certain date.
2. The person requesting the account to be changed to their name must meet the good credit guidelines established by the Cooperative or they shall be required to pay a security deposit.
3. Names on accounts cannot be changed to allow a member to avoid paying a delinquent or off-service bill. If a consumer owes a bill and lives in a household of the new member, his/her indebtedness can be transferred to the account of the current member.

CONDEMNATION

1. If an account is deserted and becomes delinquent, the property owner may establish the agreed reading. Under no circumstances shall a property owner use the Cooperative as a method of eviction.
2. If a local, state or governmental body condemns a property and sends written notice to the Cooperative, power will be disconnected and will not be reconnected until notified to do so by the governing agency.

LARGE POWER-MINIMUM BILL

Large power consumers will have their minimum monthly bill calculated as follows:

1. If actual usage history is available, the deposit will be equal to two months average bill.
2. If no usage history is available, the deposit will be based on the usage history of the closest similar sized load.

Length of Contract Period

1. Contract period is:
 - a. Over 50, equal to or less than 99 KVA – 1 year
 - b. Equal to or over 100, less than 249 KVA – 3 years
 - c. Equal to or over 250, less than 499 KVA – 5 years
 - d. Equal to or over 500 figured individually on a 5 year contract
 - e. At the end of the contract, all minimum bills are automatically renewed for the length of the original agreement unless the Consumer or the Cooperative gives notice in writing 30 days prior to the end of the contract.
2. All large power consumers must sign a large power contract.

*Upon recommendation of Staff and under certain circumstances, the Board may waive a large power deposit, when it is in the best interest of the Cooperative. However, the large power consumer shall be bound by the terms and conditions of the large power contract, which must be signed and executed.

3. METERING OF LARGE POWER -- KVAR HOURS will be measured on any account of 100 KVA and over for purpose of power factor adjustment as outlined in our tariffs.

EMPLOYEE AGREEMENT IN LIEU OF SECURITY DEPOSIT

Effective November 20, 1992, the 1/12 annual deposit fee required for consumers with good credit may be waived for an employee of the Cooperative.

READING OF EMPLOYEES, DIRECTORS AND ATTORNEY'S METERS

All meters registered in the name of an employee, director or attorney will be read by Metering Personnel at least once a year. Readings shall be dated and submitted to the CEO, who will review the readings. Any discrepancies will be checked out immediately and the report signed by the CEO and the Metering Employee.

PRIMARY METERING

Accounts are served up to the source side of the disconnect for the Primary Metering Point. Beyond the Metering Point, the Member owns and is responsible for all facilities, including the transformer(s). The Member may contract with the Cooperative to construct new facilities, so long as all facilities meet the National Electric Safety Code and the Rules and Regulations of the Cooperative. The Member may also contract with the Cooperative to build new facilities, remove certain facilities, remove trees, reset poles, put up wire and whatever other work might be required. It is understood that the Cooperative will be paid for all work done on the Member side of the Primary Metering point. It is also understood that the Cooperative will complete its own work before commencing work for the Primary Metered Consumer, unless there is some emergency that could result in injury or death.

RETURNED CHECK POLICY

When a check is returned, an inquiry into each account paid by that check will be done. If the check was presented to pay a delinquent amount on an account, the account is subject to immediate disconnection without further notice

to the member and a \$25.00 charge for collection. If the check was presented to pay a current bill, a notification letter or delinquent notice will be mailed to the member with a date due of no less than ten days from the date of the letter or the notice and a \$25.00 fee will be charged.

An inquiry will also be done on the number of returned checks on the account. If there is a history of three returned checks on the account within the last six months, the member will be notified by letter that we will no longer accept checks from that member and noted on the member's account(s). As long as the history reflects three returned checks in the past six months, the "No Checks Allowed" indication will continue on the account. The account password will be changed so that member cannot go online and pay with an e-check. Returned checks for pre-paid accounts are subject to immediate disconnect.

All returned checks must be paid by cash, money order or credit/debit card.

PARTIAL PAYMENT CONTRACTS

DELINQUENT BILL

Residential consumers with a delinquent bill may sign a written contract to prevent disconnection of electric service providing they have not defaulted on a previous contract. The consumer must come to the office to sign the agreement in person. Arrangements cannot be made by a third party. The consumer, as a rule, is required to pay one third of the delinquent amount and sign a contract for the balance to be paid in two (2) months. The contract payment will appear on the regular billing statement as a line item entry for the monthly amount specified on their agreement. If the delinquent amount is unusually high or the consumer requests more than two (2) months for payment, approval must be given by the Manager of Marketing & Member Services or the President and CEO.

If the first payment is not made on the assigned date, the account is subject to disconnection immediately. If service is disconnected, another partial payment contract cannot be negotiated except in the case of the Winter Hardship Reconnect during the months of November through March, in accordance with the PSC Rule & Regulations.

DETERMINATION OF ACCOUNTS FOR COLLECTION

A collection card is printed for any account which is one month over-due and over \$30.00, or any account that is two months or more overdue in any amount.

RECONNECTION OF SERVICE AFTER WORKING HOURS

No reconnects after business hours. Meters will be reconnected within three business days after payment is received in the office. Winter Hardship Reconnects will be done within 24 hours after a promise of payment from an approved agency and the member has come to the office to sign a contract for the balance of the bill.

GUIDELINES FOR REMOTE DISCONNECT METERS

Accounts with remote disconnect meters will be charged according to the following guidelines:

1. Accounts will not be charged a collection fee unless a trip is actually made to the premises. A courtesy call will be made before actually disconnection. (NOTE: PSC REGULATION)
(c) Termination. A charge may be assessed when a utility representative makes a trip to the premises of a customer for the purpose of terminating service. The charge may be assessed if the utility representative actually terminates service or if, in the course of the trip, the customer pays the delinquent bill to avoid termination. The charge may also be made if the utility representative agrees to delay termination based on the customer's agreement to pay the delinquent bill by a specific date. The utility representative may make a field collection charge only once in any billing period.
2. At the time of disconnection, the account will be billed to the most current available turtle reading. If the account is not reconnected, the account will be finaled with the last turtle reading.
3. If account is paid for reconnection, a charge of \$30.00 will be charged at the time of reconnection.
(NOTE: PSC REGULATIONS) This includes pre-paid and remote disconnect meters.
(b) Reconnect charge. A reconnect charge may be assessed to reconnect a service which has been terminated for nonpayment of bills or violation of the utility's rules of commission administrative

regulations. Customers qualifying for service reconnection under Section 15 of this administrative regulation shall be exempt from reconnect charges.

4. When payment or satisfactory payment arrangements have been made, a connect command will be sent to the remote meter to restore power immediately, during regular business hours.

TEMPORARY SERVICE TO CONSTRUCT NEW HOMES

A consumer is allowed one year to complete a new house. The consumer charge for a temporary service is \$51.73 per month, plus kilowatt hour usage. If construction takes longer than twelve months, the consumer must ask and receive permission for an extension. The Member Accounts Department will inform the consumer of this at the time of application. Member Representatives will monitor temporary accounts to make sure we receive a final inspection.

TAX CHARGED ON ACCOUNTS

SALES TAX

Sales tax is charged on small commercial, large power, churches and schools unless a tax-exempt certificate from the State Department of Revenue is presented to Grayson Rural Electric Cooperative Corporation.

Sales tax is charged on school tax.

SCHOOL TAX

School tax is charged on all accounts in the following counties: Carter 3%, Elliott 3%, Lawrence 3%, Rowan 3% and Lewis 2.5%. There are no tax-exempt certificates for school tax. School tax is not charged on security lights.

INDICATOR SET ON ACCOUNTS TO CHARGE TAX

The indicator is modified to 2 to charge sales tax only. The indicator is modified to 1 to charge school tax only and 7 to charge both sales and school tax.

Lawrence, Rowan, Carter and Elliott Counties 1 for School Tax Only, 7 for Sales and School Tax;

Greenup County 10 for no Tax, 2 for Sales Tax;

Lewis County 3 for School Tax, 4 for Sales and School Tax

When sales tax is charged on an account the tax is shown on the billing statement as State Tax. School tax is shown as School Tax.

PENALTIES WAIVED

Upon request of the consumer, the 10% penalty assessed on accounts (due to payment being received after the due date printed on the bill), may be waived when using the following guidelines:

1. The consumer's payment history must show that they have not had a penalty assessed before.
2. The consumer must provide a good reason why the penalty should be removed.
3. The penalty may be waived one time, and one time only in a 12 month history.
4. Waiver of the penalty must be approved by the Member Services Representative, Manager of Marketing & Member Services or the President and CEO.

CAPITAL CREDITS

RIGHTS OF A SPOUSE - In accordance with Grayson RECC Bylaws, Article 1, "Upon the death of a member, the membership may be transferred to the surviving spouse provided the surviving spouse requests such transfer and the transfer is not a violation of the deceased's Will." **Active accounts cannot be left in a deceased member's name.** Sometimes an estate will not be probated for various reasons. There may not be any estate to probate and/or there may be no Will. The applicant must then sign the "Applicant's Authority" and complete the rest of the Capital Credits Application.

If proper application is made for Capital Credits for a deceased member, Capital Credits in the amount credited to that account by the end of the year in which the member died, at that time can be paid on a discounted basis as soon as proper application is made, as soon as practical. ~~Any No~~ additional amounts will be credited to that account after the end of that year. ~~will be paid in April of the following year.~~

If there are co-executors, both will need to sign. Forms for order dispensing with the Administration may be obtained at the District Court Clerk's office. See Board Policy 204 and Bylaws Section 7.

Capital Credits earned after the year of the death of the member can be transferred to the surviving spouse only, within one year. All other accumulated capital credits will be forfeited.

LINE EXTENSION POLICY

SERVICE DROPS

The Cooperative will build a service drop at no cost to the following services; but not limited to, camps, water pumps, electric fences, barns, garages, hobby houses, oil wells, ~~and~~ signs or pole services. Members will pay for all primary built. Service Drops and Temporary services should be no more than 150 ~~to 300~~ feet long and may include a service pole, transformer and triplex.

TEMPORARY SERVICE TO CONSTRUCT NEW HOMES

A consumer is allowed one year to complete a new house. The consumer charge for a temporary service is \$51.73 per month, plus kilowatt hour usage and any other appropriate charges. If construction takes longer than twelve months, the consumer must ask for and receive permission for an extension. The Member Accounts Department will inform the consumer of this at the time of application. Member Representatives will monitor Temporary Accounts to make sure we receive a final inspection within the prescribed time. Meters on structures still under a temporary inspection will not be tolerated as a structure that is ready for occupancy and is subject to immediate disconnection. The member must pay for the primary for temporary services and we will furnish the service drop.

LINE EXTENSIONS PROVIDED BY THE COOPERATIVE

In general, the Cooperative will maximize its investment in facilities which are, or could be inhabited / occupied year-round. These facilities must be life-sustaining, electric consuming facilities or (on a case by case basis) beneficial to communities. At the discretion of the Cooperative, these facilities will be eligible for 1,000 feet of line extension. Facilities which are for the personal, private use and convenience of our members which do not meet these criteria will be paid for by the member.

The Cooperative will build the first 1,000 feet of overhead line, not including service drop, for members who apply for single phase service and who contract to use that service for one (1) year or more, if they meet the following requirements:

1. Potable water source, drilled well, cistern or city or rural water district.
2. Permanent foundation.
3. An 'in-ground' septic system approved by the Health Department.
4. Evidence that satisfies the Cooperative of actual construction.

In some instances, the Cooperative may elect to build a line to a structure that will be used for the betterment of the community without charge. This decision must be approved by the Board of Directors.

Service Categories (commercial & residential). "Inhabitable" means the structure can be used for year-round living or working and can be a dwelling or a commercial building. *Revised June 6, 2016*

KRS 211.05 requires a member requesting electrical power hook-up to a permanent dwelling or commercial building to provide the Cooperative with a certificate of on-site sewage evaluation from the local health department or governing agency. No exceptions will be made without a waiver from said health department or agency. The Cooperative may provide up to 300 feet of line to a temporary service for construction.

TEMPORARY SERVICES

A temporary service is good for one year and may be used to construct a non-electric consuming facility. However, if a member has a reasonable situation, we will be glad to work with them for up to 12 months total.

MODULAR HOMES – METER BASES

According to the Kentucky Department of Housing, Buildings and Construction (Mike Shannon), Kentucky does not recognize modular homes. They recognize only a stick built home or a mobile home or doublewide mobile home. According to the Electrical Division, the only way a mobile/modular home could have the service mounted on the wall of the home is if the home has a HUD sticker or documentation showing the walls of the home are strong enough to hold the service. A copy of the information shall be provided to the Cooperative by the home owner and it shall be retained for the member's file.

If we are faced with the dilemma of a service mounted on the outside wall of a doublewide, even with an inspection, we will not connect the service without the proper HUD documentation. Members who disagree with this can take it up with the Kentucky Department of Housing, Buildings and Construction and the contact is Mike Shannon.

June 2015

SERVICES ON POLES – FOR MOBILE HOMES OR GENERAL SERVICES

We will not connect an overhead service on a pole less than 25 feet tall. The pole must be concreted 5 feet in the ground and have 20 feet above ground. The wire above and below the meter base must be in conduit and the weatherhead must be within 18 inches of the top of the pole. All new residential (and commercial, if appropriate) services must have a sewer sticker. No mobile homes will be connected with an application for some other structure such as a barn, garage or camper. No service will be connected that we believe is not up to code.

Mobile home meter poles must be at least 3 feet from the mobile home and at least 10 feet from any door.

Meters on structures still under a temporary inspection will not be tolerated as a structure that is ready for occupancy and is subject to immediate disconnection.

METERS INSIDE THE HOME

Meters inside the home or structure must be moved to the outside so they are accessible at all times.

SERVICE POLES

Nothing allowed on service poles – no birdhouses, clothes lines, flags, decorations of any kind, night lights, sacks of salt, satellite dishes or anything else is allowed on Cooperative poles.

CRITERIA WHEREBY A MOBILE HOME GETS SAME CREDIT AS A HOUSE

Mobile homes will qualify for a 1,000 foot line extension under the following conditions:

If 2 out of 3 of the following are done:

1. Drilled well or city water for mobile home is installed on site.
2. Block foundation – all the way around the mobile home.
3. Septic system approved by the Health Department is in the ground.

Note: The mobile home must be a permanent residence. One thousand (1,000) feet does not apply for non-dwellings and other uses.

SERVICE MOUNTED ON THE SIDE OF A MOBILE HOME

Most mobile homes are manufactured to have the meter set on a service pole. The home owner must have a certified electrician set a 25 foot pole in concrete, and the service must meet the National Electric Code Guidelines. Conduit and weatherhead must be within 18 inches of the top of the pole. The service must be inspected by a state certified electric inspector and a copy of the inspection sent to the office.

If a member wants to have the service mounted on the side of a doublewide or triplewide, he must provide the required HUD certification to show that the mobile home is rated to allow the service to be attached to the outside

wall. If the member cannot provide documentation, they will not be allowed to mount the service on the side of the home.

Per Mike Shannon, Dept. of Housing, Buildings and Grounds. June 2015

MEASURING CUSTOMER SERVICE

807 KAR 5:041 Section 9 Electric States that, "All energy sold within the state of Kentucky shall be measured by commercially acceptable measuring devices OWNED and MAINTAINED by the utility, except where otherwise impracticable.

This information was provided by Steve Kingsolver of the KY PSC.

NEW HOUSE ACCOMMODATION

For a new house, the Cooperative will consider relocation of one pole to accommodate a new dwelling in lieu of 1,000 foot extension. Discretion and good business practices could limit relocation. The Cooperative will not consider relocation of 3-phase lines or complex circuits unless the member is willing to pay for the relocation (in advance) and make reasonable accommodations with other property owners that might be affected by the relocation. Some relocations may be prohibited simply by lack of access, such as in-town, road crossings and government properties.

Effective January 27, 1995

SERVICE TO BACK OF HOUSE

Grayson RECC will run a service drop to a house or mobile home at no extra charges, even if the meter is on the backside of the house. This may involve placing an extra service pole.

EASEMENT REQUIREMENTS

The Cooperative will require an easement from all consumer requesting electric service, or from any property owner who might be affected by the request for electric service. There will be no exceptions unless we have a previous specific easement.

LINE OVER RESIDENCE

No secondary services wires (under 600 Volts) shall be allowed over a residence or business. Every effort shall be made to keep primary lines from going over residences or businesses. In the rare case that no other options are available, all NESC clearances will be met.

AID TO CONSTRUCTION – LINE EXTENSIONS PAID FOR BY MEMBER

When an extension of the Cooperative's line to serve a consumer or group of consumers amounts to more than 1,000 feet per consumer, the Cooperative may require the total cost of the excess footage over 1,000 feet to be deposited with the Cooperative by the consumer or consumers, based upon the average estimated cost per foot of the total extension. This cost, hereinafter, "advance for construction", must be paid in advance by the consumer. If the total cost of the line exceeds the estimate, the consumer will be billed for the difference. If the total cost of the line is significantly less than the estimate, the difference will be refunded to the consumer. If the consumer chooses to have a pole moved in lieu of 1,000 feet of line extension, any additional line extension will have to be paid in advance.

All costs associated with changing poles to meet clearance for telephone attachments shall be paid by the phone company. Accounting shall bill these appropriate businesses for costs.

Costs for projects required by the state shall be billed as estimated and shall be paid prior to construction. No adjustments will be made and no refunds given or additional invoices issued.

SINGLE PHASE DISTRIBUTION LINE EXTENSIONS

An extension of 1,000 feet or less shall be made by the Cooperative in the most direct and efficient manner from its existing distribution line without charge for a consumer who shall apply for and contract to use service for one year or more and who provides guarantee for such service. The "service drop" to the house from the distribution line at the last pole shall not be included in the foregoing measurements.

When an extension of the Cooperative's line to serve a consumer or group of consumers amounts to more than 1,000 feet per consumer, the Cooperative will require the total cost of excessive footage over 1,000 feet to be paid in advance, based on the average estimated cost per foot of the total line extension.

REFUNDS FOR TAPS OFF OF PAID LINE EXTENSIONS

A service drop to another permanent service will make the original consumer eligible for a refund up to 1,000 feet from the existing line. Under no circumstances will the original consumer be paid more than the original Consumer Advance for Construction amount paid to the Cooperative.

An extension or lateral extension to another permanent service may make the original consumer eligible for a refund up to 1,000 feet, less the length of the new lateral or extension. Under no circumstances will the original consumer be paid more than the original amount of the Consumer Advance for Construction originally paid to the Cooperative.

Refunds may be made up to 10 years after the original date of application. After 10 years, no refunds will be made. No interest will be accrued on Consumer Advance for Construction money.

Extension or lateral extensions over 1,000 feet in length to another permanent service will make the original consumer ineligible for a refund. Any additional footage over 1,000 feet required to serve that new consumer will be paid for in accordance with this single phase line extension policy.

LINE RETIREMENTS

The Cooperative reserves the right to determine which line services need to be retired, especially those lines that have not been in service for over one year. However, if a section of primary line has been retired within 6 months of the date of application for service and is necessary to serve the new service, that portion of the line extension will be re-built at the Cooperative's expense to a permanent residential or commercial service.

LINE EXTENSION TO COMMERCIAL AGRICULTURE - COMMERCIAL AND TRANSIENT ACCOUNTS

We will build 300 feet of primary line to a permanent structure (agriculture barn or large metal building). Service drops for these structures will not exceed 100 feet.

Campers, well pumps, electric signs, etc., that can be served with a service drop of less than 300 feet will not be charged. If a primary line is required for those services the member will be billed at cost for the primary.

All services are subject to appropriate charges such as a membership fee and if necessary, security deposits and aid to construction paid in advance. All members must provide a duly signed right-of-way easement if we do not have one on file.

Any unusual requests shall be reviewed on a case by case basis with the President and CEO.

LINE EXTENSIONS TO LARGE POWER/COMMERCIAL ACCOUNTS

On a large power contract, the minimum bill will be based on the cost of the transformers/transformer bank divided by the number of months of the initial large power contract for that account. If a large power contract is considered seasonal, the consumer will pay for the entire new line extension. If a consumer requires a primary metering point, the consumer shall pay for the entire line extension. If, for some reason, the Cooperative determines extension of the line is a benefit to the Cooperative, the cost of the line extension may be reduced.

NEW SERVICE REQUIREMENTS – INSPECTIONS

All new services will require an inspection by a state certified electrical inspector.

Services that have been inspected by State Certified Inspectors and do not meet code will be rejected by the Cooperative and the office of the State Electrical Inspector shall be notified. If Cooperative personnel find a service that does not meet code, it will not be energized. If it is a blatant violation or safety hazard, Cooperative personnel shall notify the office at once. Proper steps will be taken to see that the situation is corrected before the meter is set.

If a structure has been altered in any way, the Cooperative may require a new inspection by a State Certified Electrical Inspector.

If a classified account is found to be serving something other than what the account is classified for, the member must have a new inspection for the new classification and the classification will be changed. Failure to comply may be subject to disconnection.

1000' FOOT RULE

When an extension of the Cooperative's line to serve a consumer or group of consumers amounts to more than 1,000 feet per consumer, the Cooperative may require the total cost of the excessive footage over 1,000 feet per consumer to be deposited with the Cooperative by the consumer or consumers, based on the average estimated cost per foot of the total extension.

If a member pays for a line extension over 1,000 feet and another consumer receives service from the additional footage, the member who paid for the line shall be reimbursed for the additional footage necessary to serve the new member. In no instance shall the member who paid for the line be reimbursed under the following plan. Each year for a period of not less than ten (10) years, which for the purpose of this rule shall be the refund period, the Cooperative shall refund to the consumer or consumers who paid for the excessive footage the cost of 1,000 feet of the extension in place for each additional consumer having a permanent service connect during the year whose service lines is directly connected to the extension installed and the extension lateral there from, but in no case shall the total amount refunded exceed the amount paid the Cooperative. After the end of the refund period, no refund shall be required to be made.

Effective April 10, 1995, Amended January 19, 2009

UNDERGROUND SERVICES AND UNDERGROUND POLICY FOR PADMOUNT TRANSFORMERS

RESIDENTIAL/SMALL COMMERCIAL

If a consumer requests primary underground to a padmount transformer as opposed to traditional overhead, the consumer will be required to pay the differential cost filed with the Public Service Commission in the Rules and Regulations portion of the tariffs. The consumer will also be required to dig the ditch, provide the conduit (no smaller than 3 inch schedule 40), sweeping elbows and reducers for the service wire. The padmount transformers, sleeves, primary conduit and adapters will be provided by the Cooperative.

It will be the responsibility of the Cooperative to maintain and/or repair the primary, secondary and transformer for this service.

All members who request underground service shall be invoiced, and payment must be made in full prior to construction of the job.

LARGE POWER

Any large power load (from 50 KVA to 999 KVA) requesting primary underground to a padmount transformer as opposed to traditional overhead will be required to pay the cost differential for primary underground on file with the Public Service Commission in the Rules and Regulations portion of the tariffs. The consumer will pour a concrete pad for the padmount transformer as specified by Engineering.

The service wire will be run through the opening in the aforementioned pad. The padmount transformer, primary conduit, adapters and metering will be provided and maintained by the Cooperative. Any repairs required on the secondary will be the responsibility of the consumer.

INDUSTRIAL LOADS (over 500 KVA)

Industrial loads requesting primary underground will be required to pay the cost differential for primary underground on file with the Public Service Commission in the Rules and Regulation portion of the tariffs. The consumer will pour a concrete pad for the padmount transformer as specified by Engineering.

The service wire will be run through the opening in the aforementioned pad. The primary conduit, adapters and metering will be provided and maintained by the Cooperative. The purchase and ownership of the padmount will be negotiated.

Any repairs required on the secondary will be the responsibility of the consumer.

UNDERGROUND LINE LOCATES

A request for an underground line location should originate through the Service Department. The Service Department shall generate a Service Order to Engineering. We will try to locate an underground line one time as a courtesy at no charge to the member. Any additional requests will cost \$100 and must be paid before the work is performed. No underground locates will be done for non-members unless directed by the President and CEO or Senior Staff and shall be subject to the charge of \$100.

AID TO CONSTRUCTION COST

The following jobs will be charged and invoiced as required:

1. Jobs that are not associated with providing additional electric service.
 - a. Pole changes to accommodate attachments such as AT&T, KY Data Link, Foothills, Mt. Rural, Sudden Lin, Time Warner, Windstream, etc.
 - i. Accounting will invoice the pre-agreed amount after the job is completed, as these are established credit consumers.
2. Line relocations require by state.
 - a. This is agreed to in advance and a lump sum agreement shall be pre-approved by the state. They request no refund or additional invoicing.
 - i. Accounting will invoice after the job is completed.
3. Line extensions in excess of 1,000 feet or 300 feet.
 - a. Campers, well pumps, electric signs, etc. that can be served with a service drop of less than 300 feet will not be charged. If a primary line is required for those services the member will be invoiced cost for the primary.
 - i. A cost estimate will be figured without overhead for member/residential consumers, and invoiced prior to construction of the job. Invoice must be paid prior to commencing of construction. No additional invoicing or refunding.
 - ii. A cost estimate will be figured for non-established credit accounts with the Cooperative, in advance, and invoice to be paid before construction can commence. After completion of the job, additional invoicing or refunding may be required at which time Accounting will determine the actual cost of the job and either refund or invoice.
4. Underground Services.
 - a. All underground will be invoiced prior to construction of job, and must be paid prior to commencing of construction.

RELOCATION FOR CONVENIENCE OF MEMBER

1. Businesses will be allowed construction up to 1,000 feet. Over 1,000 feet the consumer will be invoiced.
 - a. A cost estimate will be figured without overhead for member/residential consumers, and invoiced prior to construction. Invoice must be paid prior to commencing of construction. No additional invoicing or refunding.
2. Farms may have 300' of primary line to a permanent structure (agriculture barn or large metal building). Service drop for these structures will not exceed 1,000'. From memo dated 6/23/00 following 6/22/00 board meeting. November 23, 1998 board meeting approved barns (agricultural-commercials) for repairing equipment or raising animals for market. Therefore, five consumers were allowed construction up to 1,000' for commercial. **Commercial-Agricultural over 1,000' shall be reviewed on a case-by-case basis.**
 - a. A cost estimate will be figured for member/residential consumers, and invoiced prior to construction. Invoice must be paid prior to commencing of construction. No additional invoicing or refunding.
3. Residential will be allowed 1,000' to an established permanent residence. Over 1,000' the consumer will be invoiced.
 - a. A cost estimate will be figured without overhead for member/residential and invoiced prior to construction. No additional invoicing or refunding.

INSPECTIONS

All new services energized by the Cooperative must have an inspection by a state certified electrical inspector.

Residential – may require a temporary service inspection, good for one year. Extensions may be granted under certain conditions and are up to the Cooperative.

Rough-in inspections – before wiring in the walls is covered by sheet rock, not for occupancy.

Final inspection – when the building is ready for occupancy; required by the cooperative and the state. The final inspection covers water and sewer requirements such as approval of sewer systems by the local health department and proof of a potable water system.

Other inspections – when any alterations or additions have been made to the electrical system of a home or business and the Cooperative is aware of it, an inspection can be required.

SUBDIVISIONS

9/2009

This policy shall only apply to underground electrical supply facilities used in connection with electric distribution within the definitions set out herein and in compliance with the National Electric Safety Code.

A subdivision shall be defined as a tract of land which is divided into ten (10) or more contiguous lots of one acre or less for the construction of new residential buildings, or two (2) or more multiple occupancy buildings with at least four (4) dwellings per building. A right-of-way easement for the entire tract will be required from the developer and/or property owner who has legal authority to sign the easement. The developer and/or property owner shall identify a utility corridor for the subdivision next to the street or on the street side.

Each inhabitable structure shall be entitled to a line extension up to 1,000 feet. Anything over 1,000 feet or at the specific request of the property owner shall be paid for by the property owner. Estimated costs shall be paid before the job commences. The Cooperative reserves the right to bill for any additional costs incurred to complete the job. Each individual property owner shall dig the service ditch and provide conduit for the job.

SECURITY LIGHTS

If a member with good credit requests a security light or lights that can be placed on an existing pole with secondary voltage, the member will contract for the light for one year with no fee or deposit. If the member does not have good credit, a deposit must be paid.

If a member requests a security light that requires any new equipment such as a transformer, or a new pole needs to be set, the member will pay for the entire cost of the security light, pole, material and labor, in advance as estimated by our engineers. If the cost is more, the member may be billed for the balance. If the cost is less, the excess will be credited to the member's bill or refunded by check. The member will also contract for the light or lights for one year.

TS2 METERS

January 2010

TS2 Meters will be installed as follows:

1. All new residential meter sets.
2. As required for new rate structures.
3. Routine meter changes-not already solid state/sample meter test changes.
4. Voltage measurements purpose.

5. Research/developmental purposes.
6. Camps, barns, seasonal, street lights, stop lights, billboards and primary metering will not have TS2 meters installed.
7. Remote Services Switches may be installed, on Pre Pay Accounts, at locations where activity is unusually high such as rentals or apartment complexes or at locations that could potentially be a safety risk.

These guidelines are subject to product development and advances in technology and to the tariffs filed with and approved by the Kentucky Public Service Commission. They are also subject to the future needs and requirements of our members.

SAMPLE METER TESTING

The tariff requires we keep meters grouped by manufacturer and type when creating sample groups but allows for subgroups based on groups of serial numbers. To avoid the possibility of testing a large number of meters should a sample test group fail, our practice will be:

1. Maintain groups based on the meter manufacturer and type.
2. New meters will be added to the appropriate manufacturer and type until the test group sized is in excess of 3,100 meters.
3. Once the test group exceeds 3,100, an additional group will be created for subsequent meters of the same meter manufacturer and type.
4. Sample test meter lists will be generated based on the ANSI standard ASQZ1.9-2003 as filed with the Public Service Commission.

IDLE METERS

When a regular meter is idled in the field, it shall be left in place for six months (unless otherwise requested). A list of meters that have been inactive for 6 months or more shall be prepared and reviewed in June and December of each year. Any meter that has been inactive over 6 months will be removed and brought to the office for testing and reuse.

A report will be prepared monthly for remote control or Pre-Pay meters that have been idle for 6 months. Those meters shall be removed and brought into the office for testing and reuse. Remote or Pre-Pay meters in open status do not report usage in case of theft and therefore are undetectable. This warrants the monthly report and removal. This also keeps us from buying extra equipment.

METERS NOT LOGGING READINGS

Meters not logging readings will be dispatched to the Metering Department or the Serviceman in the area as soon as possible to see why readings are not being transmitted. Meters not logging in may not be estimated more than one month. Clusters of meters that are not logging in shall be dispatched to the serviceman to see if a cause can be determined. It will be up to the serviceman to collaborate with the Metering Department or other necessary resources.

NON-OUTAGE SERVICE CALLS

If a service call is received for half power in the house or structure, blinking lights, low or irregular voltage or any other case where the member is not completely without power, the following check list will be used:

CHECK LIST FOR NON-OUTAGE SERVICE CALLS

(blinks, ½ power, power surges, etc.)

1. Visually check the meter base.
2. Check voltage at the meter base (record).

3. Inspect weatherhead.
4. Visually inspect triplex from transformer to the weatherhead. (Replace if necessary and record.)
5. Check connections on transformer.
6. Check voltage at transformer (record).
7. Check meter base and seal.
8. Check signs of tampering.

RECORD ALL VOLTAGES AND ANY OTHER FINDINGS AND WRITE THEM ON THE SERVICE ORDER. SIGN AND DATE SERVICE ORDER AND NOTES.

MISCELLANEOUS

GAS TICKETS AND CHECKING OIL

Each Cooperative vehicle has been assigned a fleet credit card that is to be kept in the vehicle at all times. When an employee purchases gas with the fleet card he/she must enter the last 4 digits of their social security number and the mileage of the vehicle they are fueling. The ticket is to be kept in the folder that holds the fleet credit card. When the invoice is received, the Division Secretary of Finance and Accounting will distribute a copy of the invoice that pertains to each vehicle. The employee that vehicle is assigned to is responsible for attaching the receipts to the invoice and returning to the Purchasing Department for payment. The oil in each vehicle should be checked on a regular basis. If gas is purchased with a VISA card, the ticket must be attached to a Credit Card Voucher form and returned to the Purchasing Department for payment. In order to be reimbursed for cash purchases, receipts must be turned in with the "out-of-pocket" expense form to the Supervisor of your Department. Out of town purchases require a charge receipt.

DESTRUCTION OF COOPERATIVE PROPERTY

It is the duty of all members to protect Cooperative property, including meters, poles and security lights. Damage to Cooperative property may be accidental or deliberate.

1. All damage claims will be invoiced at cost, including overheads, per Board action 2/22/01.
2. Accounting will invoice for estimated cost of job including overhead. Additional costs may be billed after completion of the job.

SWIMMING POOLS

Swimming pools are strictly prohibited from being located under a power line, within 15 feet of a power line or where any instrument with a handle could hit the line.

If a line over a swimming pool meets the National Electric Safety Code (NESC), we will write a letter to the member telling them that they have a potential liability, but since it meets the NESC we will leave the line where it is.

If a line over a swimming pool does not meet NESC, we will give the member notice that the pool will need to be moved. If the pool is not moved within a reasonable period of time, or if the homeowner does not contact the Cooperative to make arrangements to comply with the NESC, we will relocate the line and bill the consumer for the cost to relocate the line (including overheads). In the event that it is physically impossible for the Cooperative to relocate the line, the member will have no choice but to move the pool. The Cooperative will take legal action if necessary.

The Cooperative will take steps to educate our members to prevent violation of the NESC.

TREE TRIMMING, REMOVAL AND RIGHT-OF-WAY CLEARANCE

OBJECTIVES

1. To establish standards for tree trimming and right-of-way clearance on all Grayson RECC easements.
2. To educate our members about tree planting, service reliability and public liability as they relate to trees and power lines.
3. To clear all primary lines of encroaching branches and dangerous trees located directly under power lines and twenty feet on either side of the center of the primary line, so that we can provide safe and reliable service to all our members and the general public.

September 24, 2004 GRECC Board of Directors

NOTIFICATION TO MEMBERS

Crew leaders will make an attempt to contact landowners when working on their property. If they are unable to contact the property owner, trees will be trimmed to provide a minimum clearance from energized lines.

WORK ORDERS AND NEW CONSTRUCTION

Grayson RECC will clear a right-of-way for new construction according to the agreement made at the time the easement was signed or as directed by the Engineering Department.

TREE TRIMMING

1. All tree trimming will be performed using acceptable industry practices.
2. Trees growing parallel to primary lines will be trimmed or removed as needed.
3. Trees set on the right-of-way of primary lines or in fence rows that serve no purpose will be trimmed one time at no cost to the property owner. If property owners refuse to let us remove the tree, future trimming costs will be paid by the property owner.
4. Right-of-ways will be cleared on a rotating schedule with a goal of system coverage every five to six years.
5. All work will be performed within the boundaries of our easements in order to maintain adequate clearance for safety and service reliability.
6. Crews will respond to member requests and routine service orders at the direction of the Assistant Manager of Operations, as part of the regular maintenance program unless an emergency arises.

In the event of a dangerous situation involving a tree or power line, a crew will respond as soon as possible.

TREE REMOVAL

1. Yard trees that are twelve (12) inches or less in diameter and located in primary lines will be cut and removed from the yard. Yard trees over twelve (12) inches in diameter will have the brush chipped and removed and the log will be the responsibility of the property owner.
2. Trees located in service lines will be cut for the actual cost to the Cooperative. Trees that need to be cut strictly for the benefit of the property owner will not be cut. However, as a courtesy, the Cooperative will provide the name and phone number of their contractors who are willing to provide this service. The Cooperative will also schedule an appointment during regular working hours to let the service wire down while the property owner has trees removed, (paid for by the member), at the request of and at no cost to the member. All liability and cost will be the responsibility of the property owner.

STORM DAMAGE

In the event of a storm or major disaster, Grayson RECC will remove trees from lines in order to restore service. Members and the general public are strictly prohibited from removing trees from downed power lines. After power is restored, trees and limbs downed by the storm will be the responsibility of the property owner.

RIGHT-OF-WAY SPRAYING

Right-of-ways will be sprayed using a non-restricted-use herbicide taking into consideration of its effectiveness and environmental impact.

ENFORCEMENT PROCEDURES

The following steps will be taken to enforce this policy for maintaining safe and reliable electric service:

1. Work with members to establish an equitable solution to all parties.
2. Record and document actions taken.
3. Notify members of actions to be taken.
4. If response is negative and as a last resort, electricity will be disconnected.

Adopted: 10/19/2000

RIGHT-OF-WAY POLICY FOR SERVICE DROPS AND SECONDARY LINES TO HOMES AND OTHER STRUCTURES

Grayson Rural Electric Cooperative Corporation cannot justify the expense of service drop right-of-way maintenance. Therefore, upon request, we will let the service wire down until work can be completed by the owner/proprietor and then re-attach the service wire. This work will only be performed during regular working hours. Any work that requires overtime pay for employees will be billed to the owner/proprietor, unless it is determined to be in the best interest of the Cooperative and not solely for the benefits of the owner/proprietor.

Reviewed by GRECC Board of Directors September 24, 2004

TREE REPLACEMENT PROGRAM

As a last effort to remove a problem tree located directly under a primary line, the Tree Replacement Program will be used as an incentive for members to obtain a smaller tree to be planted in an alternate location.

REQUIREMENTS FOR PARTICIPATION

1. Must be a Grayson Rural Electric Cooperative Corporation member.
2. Must have an ornamental or shade tree located within, or in close proximity to, the right-of-way boundary of Grayson Rural Electric Cooperative's power lines (20 feet on either side of the line path, total 40 feet wide), that requires repeated trimming or is located near a residence or has landscaping potential.
3. Maximum of two (2) trees per consumer.
4. Maximum compensation of twenty-five dollars (\$25) per tree.
5. Payments will be made by check or by actual replacement in the form of ornamental trees or shrubs. In the case of actual replacement, Grayson Rural Electric Cooperative Corporation will issue a voucher in the appropriate amount to be redeemed at local nurseries.
6. Consumer must agree to plant new trees outside the Cooperative right-of-way boundaries.
7. Consumer is encouraged to consider low-growth (12 feet and under) trees and/or shrubs as replacement plants.
8. Grayson Rural Electric Cooperative Corporation reserves the right to determine which trees qualify for the replacement program. The consumer shall agree to consult with Cooperative representatives to ensure that the replacement site shall not interfere with future Cooperative operations within the right-of-way boundaries.
9. Agreement must be signed by consumer and a Cooperative representative, date and a sketch of planting attached before voucher or check is issued.
10. All completed agreements and attachments should be filed with the President and CEO.

GUIDELINES ON HIRING PROCEDURES

The following guidelines will be observed when hiring full-time clerical workers:

1. All applications will be tentatively accepted.
2. Applicants who have not successfully completed high school or passed an approved high school equivalency examination or those not meeting the minimum requirements for the position will not be further considered.
3. The number of applications selected for further consideration from Carter, Elliott, Greenup, Lawrence, Lewis and Rowan Counties will be based upon the proportionate number of consumers served in these counties, when practical. Applicants living outside the Cooperative's service area will also be eligible for further consideration based upon the merits of their application.
4. If appropriate, a series of tests will be administered to the applicants selected.
5. The probational full-time employee may be selected from the group of applicants interviewed based upon management's evaluation of their qualifications, test scores and interview results.

APPROPRIATE OFFICE ATTIRE

It shall be the objective of Grayson Rural Electric to establish guidelines for appropriate attire for those employees who are working the Cooperative office or representing the Cooperative at an outside location in order to present a professional image of the organization and its employees.

CASUAL DAY POLICY

The President and CEO may designate a casual day from time to time, either to mark an event, allow for a cleaning day or as a method to raise funds for a specific charity endorsed by the employees, such as Relay for Life. Normally, the dress code for each Casual Day will be announced for each designated day. The dress theme for attire for each Casual Day will be announced each time. Some Casual Days will be free and others will require a small donation to a designated charity or project to participate.

APPROPRIATE OFFICE ATTIRE

1. Traditional business attire.
2. Skirts, dresses – length should be no shorter than 3 inches above the middle of the knee. Denim dresses, jumpers and skirts are appropriate with dress shoes.
3. Dress or “Dockers” style slacks. Corduroys are acceptable.
4. Blazers.
5. Long or short-sleeved shirts – sleeveless shirts should come to the top of the arm. Shirts may be worn outside the pants, as part of an outfit. Denim Chambray (ex: our annual meeting shirt) button downs are appropriate.
6. Sweaters, vests or cardigans.
7. Golf/Polo shirts– plain or Grayson RECC logo or other appropriate logos.
8. Walking shorts should be worn with matching sweater or dress shirts and should be no shorter than 3 inches above the middle of the knee.
9. Shoes should be worn with matching socks and hosiery/pantyhose need to be worn appropriately – dress sandals only. No rubber flip-flops.
10. Holiday themed sweaters and sweatshirts.

INAPPROPRIATE OFFICE ATTIRE

1. T-shirts that promote alcohol, drugs, vacations, bands or other inappropriate logos.
2. Frayed or torn items.
3. Clothing that is too tight or too revealing.
4. Sweat suits.
5. Cargo pants.
6. Tank, halter or cropped tops.
7. Tank dresses unless with jacket.
8. Spandex, including leggings with over-sized sweaters or t-shirts.
9. Rubber flip-flops.

ATTIRE FOR MEN

All outside employees shall dress in accordance with current OSHA standards. Office attire for men may be dress slacks, Dockers or nice jeans (as appropriate) with a company dress shirt or a company logo shirt. T-shirts are inappropriate unless we wear them as a group.

INCLEMENT WEATHER ATTIRE

Due to the distance some employees must travel to get to work and also due to the strong chance that employees may have to work over during inclement weather, jeans and appropriate shirts may be worn any day that school is dismissed or if the temperature is below 32 degrees. Employees may also wear appropriate footwear during bad weather.

ATTIRE FOR MEETINGS

An employee who represents the Cooperative at a meeting should dress in accordance with the subject of the meeting. If business casual is appropriate, slacks and a company logo shirt are always a good choice. In some cases, men should wear a tie and jacket. Jeans should not be worn unless the activities require that type of dress. You are a representative of Grayson Rural Electric Cooperative Corporation and should dress accordingly. If you are unsure about the dress code for a particular meeting, you should call ahead to ask.

All final decisions rest with the President and CEO or his/her designee. The President and CEO shall be responsible for the enforcement of this policy. (4/12/07)

PERSONAL LEAVE DAYS (BOARD POLICY 504)

Personal Leave days are to be used in non-typical or emergency situations. They are not intended to be “planned events”. They are to benefit the employee when you have an unforeseen event, like a house flooded by a hot water heater, water over the road that prevents you from coming to work, or a sick child (or babysitter). Permission should be requested from your Supervisor as soon as you know you need to be off. Vacation and Sick Leave are for planned events like spouse’s surgery. Personal days are paid out of sick leave.

SCHOLARSHIP FOR EMPLOYEES CHILDREN

The Board of Directors approved a scholarship in the amount of \$200.00 for all active employees and directors children. This scholarship will be paid either to the child or school upon proof of enrollment. The student may use this money for any expense relating to school, such as: books, tuition or uniforms, etc. The student must be enrolled in a bona fide college, university or technical school. The scholarship is not renewable. This scholarship was initiated in 1997 and children that graduated prior to that time are not eligible.

BOARD POLICY 528, INFORMATION AND CYBER SECURITY/IDENTITY THEFT PREVENTION POLICY, BOARD POLICY 531, APPROPRIATE USE OF EMAIL AND INTERNET SYSTEM Shall be the defining documents for email and internet use.

Use of Grayson R.E.C.C.’s email must be consistent with federal and state laws and Grayson Rural Electric Cooperative Corporation’s work rules and board policies.

The email system may not be used to solicit or influence for personal commercial ventures, religious or political causes.

The Cooperative wants to provide a reasonable level of privacy; however, users should be aware that data they create on the corporate systems remains the property of Grayson R.E.C.C. Because of the Cooperative’s need to continually monitor the internal network (intranet) in order to protect Grayson R.E.C.C.’s IT resources and information, management cannot guarantee the confidentiality of personal information stored on any network device belonging to the Cooperative, or in files on the Cooperative’s intranet. Authorized individuals within the Cooperative may monitor equipment, systems and network traffic at any time.

Employees are responsible for exercising good judgment regarding the reasonableness of personal use. Individual departments are responsible for creating guidelines concerning personal use of the Internet, Intranet or Extranet systems. In the absence of such policies, Grayson R.E.C.C. owned equipment and computers and related services may be used for incidental personal use purposes provided that:

1. Usage is reasonable and does not interfere with work productivity.
2. Does not directly or indirectly interfere with Grayson R.E.C.C.’s business operations, IT facilities or electronic mail services.
3. Does not burden Grayson R.E.C.C. with noticeable incremental cost.
4. If there is any uncertainty as to what constitutes acceptable personal use, employees should consult their supervisors or manager who will make the determination.

EMAIL ACCESS

Employees must use extreme caution when opening email attachments received from unknown senders which may contain viruses, email bombs, or Trojan horse code. Under no circumstances is an employee of Grayson R.E.C.C. to engage in any activity that is illegal under local, state, federal or international law, while utilizing Cooperative owned resources.

Using Grayson R.E.C.C.'s computing assets to actively engage in procuring or transmitting material that is in violation of sexual harassment or hostile workplace laws in the user's local jurisdiction is prohibited. No one shall make fraudulent offers of products, items or services originating from any Cooperative account. Statements about warranties, express or implied, are prohibited unless they are a part of normal job duties. Security breaches or disruptions of network communications such as, but not limited to accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorized to access, unless these duties are within the scope of regular duties.

The email system is the property of Grayson R.E.C.C., and as such, shall not be misused in any of the following manner:

1. Sending unsolicited email message, including the sending of "junk email" or other advertising material to individuals who do not specifically request such material (email spam), unless part of a corporate approved targeted marketing campaign.
2. Any form of harassment via email, telephone, or paging, whether through language, frequency, or size of message.
3. Sending or forwarding emails including any of the following: disruptive or offensive messages, still images, audio, or video images, including but not limited to offensive comments about race, gender, disabilities, age, sexual orientation, pornography, religious beliefs and practice, political beliefs or national origin. If you receive an email of this nature, promptly notify your immediate supervisor or manager.
4. Forge or attempt to forge email messages.
5. Disguise or attempt to disguise your identity when sending email.
6. Send email messages using another person's email,
7. Creating or forwarding "chain letters", "Ponzi" or other "pyramid" schemes of any type.

The following uses of the Internet, either during working hours or personal time, using Grayson R.E.C.C.'s equipment or facilities, are strictly prohibited:

1. Access, retrieve, or print text and graphics information, which exceeds the bounds of generally accepted standards of good taste and ethics.
2. The internet or Internet connections shall not be used to access or transfer information that is in violation of Local, State and Federal copyright laws, or that contradicts the intent or spirit of these policies and procedures.
3. Engage in any activity which would compromise the security of any of Grayson R.E.C.C.'s systems.

INTERNET ACCESS

Grayson R.E.C.C. is committed to protecting our employees, members and the Company for illegal or damaging actions by individuals, either knowingly or unknowingly. These guidelines are intended to define acceptable use of the Internet by employees, contractors, consultants, temporaries and others who work for the Cooperative, including all personnel affiliated with third parties, while using Grayson R.E.C.C.'s owned or leased equipment, facilities, Internet addresses, or domain names registered to Grayson R.E.C.C.

Grayson R.E.C.C. provides Internet access to facilitate the conduct of company business. Occasional and incidental personal Internet use is permitted if it does not interfere with the work of personnel, the Company's ability to perform its mission, does not directly or indirectly interfere with Grayson R.E.C.C.'s business operations, IT facilities or electronic mail services, and meets the conditions outlined in official company directives.

Prohibited Internet Activities, whether during normal working hours or on personal time, using Grayson R.E.C.C.'s equipment, include but are not limited to the following:

1. Browsing explicit pornographic or hate-based web sites, hack or cracker sites, or other sites that the company has determined to be off-limits.
2. Access, retrieve, or print text and graphics information, which exceeds the bounds of generally accepted standards of good taste and ethics.

3. Posting, sending or acquiring sexually explicit or sexually oriented material, hate based material, hacker-related material or other materials determined to be off-limits.
4. Posting or sending sensitive information outside of the company without management authorization.
5. Promoting or maintaining a personal or private business.
6. Internet or Internet connections shall not be used to access or transfer information that is in violation of Local, State, Federal or International copyright laws, or that contradicts the intent and spirit of these policies and procedures.
7. Using non-work related applications or software that occupies excess workstation or network processing time.
8. Streaming videos and Music are prohibited except when used to serve as an approved business function. Users shall follow existing security policies and procedures and shall refrain from any practice which might jeopardize the Cooperative's computer systems and data files, including but not limited to virus attacks when downloading files from the Internet.

Violations of Company policy could result in, but not be limited to, disciplinary action.

PASSWORD POLICY

1. Cooperative passwords must be changed every 90 days.
2. Passwords must not be shared with anyone, including administrative assistants, secretaries, managers or co-workers while on vacation, IT or family members, unless authorized by the Manager of Technical Services.
3. Passwords must not be inserted into email messages or other forms of electronic communication.
4. Passwords must not be revealed over the phone to anyone and shall not be revealed on questionnaires or security forms.
5. Passwords should not be written down and stored anywhere in your office, your vehicle, or on a computer system or mobile device such as a phone or tablet in clear text.
6. Do not use "remember Password" feature of applications such as web browsers.
7. Any user suspecting his/her password may have been compromised must report the incident to the Manager of Technical Services, and then change all passwords.
8. The Manager of Technical Services or the Technical Services Supervisor shall be responsible for this policy.

INFORMATION AND CYBER SECURITY/IDENTITY THEFT PREVENTION

This policy will help ensure that Grayson R.E.C.C.'s technology is and will be protected against all internal, external, deliberate and accidental threats. In order to facilitate this protection, these guidelines will be followed:

1. The Data Center shall be locked at all times.
2. Data will be available on a "need to know" basis, approved by the Manager of Technical Services or his/her designee.
3. To comply with PCI-DSS, we will not process credit card transactions over the telephone. Members have access to IVR for payments.
4. Only the last four digits of social security numbers will be kept on file.
5. Off-site back up will be used for all servers.
6. Building access is restricted to protect the integrity of our data.

DONATIONS OF SICK LEAVE AND VACATION

9/2009

Donations of Sick Leave and Vacation shall be confined to situations of catastrophic illness. Call for donations shall be made after careful consideration of each individual situation by the President and CEO and his/her staff.

An employee must have used all personal vacation and sick leave before donations of same will be considered.

When sick leave and vacation are exhausted, the President and CEO and his/her staff may determine that a need exists for donations of sick leave and/or vacation or financial help.

Donations for financial help will be dollar for dollar.

Donations for time off will be hour for hour.

Employees are encouraged to give one day or less per donation. The President and CEO may determine that more than one donation is needed, depending on the circumstances.

SAFETY INCENTIVE DRAWING

As an incentive for our safety program, we will have a monthly safety drawing for a cash amount. Starting in January 2010, we will draw for \$20.00, and \$5.00 will be added each month that we do not have a lost time accident. If we do not have any lost time accidents that year January 2011 will increase and start at \$25.00. The starting incentive will increase by \$5.00 each year in January that we do not have a lost time accident. Monthly increments will continue to increase in \$5.00 increments.

Employees may not win twice in one year.

If an employee has a lost time accident, or if the Safety Committee and the President and CEO determines that the employee has contributed to a lost time accident that calendar year, he/she is not eligible for the remainder of the monthly drawings and shall not receive the Safety Incentive for that year.

If an employee has a lost time accident that calendar year, the drawing starts over at \$20.00 immediately.

If an employee has not had a lost time accident that year and is absent from work on the day of the drawing, they are still eligible for the drawing. Their supervisor will draw for them.

The President and CEO is not eligible for the Safety Incentive Drawing.

EMPLOYEE USE OF COOPERATIVE EQUIPMENT OR PROPERTY

If any employee or director needs to borrow an item or items from the Cooperative, such as a ladder, tent, trailer, tables, etc., they will need to make arrangements in advance with Caitlin Hutchinson or Priscilla Sparks. All items must be returned in good condition and Caitlin will mark her list as returned.

If anyone needs to schedule use of the Board Room, Meeting Room or Cooperative Grounds, they need to schedule with Priscilla Sparks. Certain forms may need to be filled out, such as a Hold Harmless Agreement.

Loans of equipment and use of Cooperative property should be limited. Use of Cooperative property shall be limited to regular work hours for outside groups. If any Employee needs to use a portion of the building or grounds, the Employee must be in attendance and responsible for the event, clean up and lock up, if necessary.

USE OF ATV'S

The Cooperative may contract the use of ATV's (all-terrain vehicle) from employees when an emergency situation would warrant the use of such vehicles to complete our work in an efficient and timely manner. If such vehicle is damaged during cooperative use, our insurance will cover it. The rate of \$50.00 for a workday (prorated as necessary) will be paid. Fuel shall be provided by the owner of the ATV. The lead man and supervisor should exercise good judgement in the use of these vehicles. At the discretion of the Manager of Operations, the daily rate may be increased based on the size of the all-terrain vehicle and the purpose for which it is used.

MAINTENANCE OF COOPERATIVE OWNED VEHICLES AND TOOLS

The Cooperative shall procure, own, operate and maintain a fleet of vehicles for the purpose of providing group transportation as a means of expediting the movement of personnel, materials and equipment in support of conducting Cooperative business.

RESPONSIBILITY – CREW LEADERS

It is the responsibility of the assigned driver of each vehicle to maintain, wash and properly inspect Cooperative vehicles and to report needed maintenance to the Manager of Operations and the Mechanic.

MONTHLY TOOL AND VEHICLE INSPECTIONS

Monthly inspection reports shall be completed by the driver of each Cooperative vehicle and tools shall be inspected by all Engineering, Construction and Maintenance employees. Any deficiencies shall be noted on the report. These reports shall be filed with the Manager of Accounting and Human Resources who will forward any problems to the Cooperative Mechanic. When the problem is resolved, he will note the corrective action taken and return the completed form to the Manager of Accounting and Human Resources to be filed.

Any makeshift or improvised tools shall be discarded. Tools beyond reasonable repair shall be destroyed and disposed of properly.

PROCEDURE

1. Wash vehicle at least once a week (weather permitting).
2. Vehicles will be greased, oiled and have their filters changed as recommended.
3. All persons responsible for a Cooperative owned vehicle would visually inspect that vehicle every Monday.
4. A thorough inspection of each vehicle will be made the first Monday of every month at the morning of safety meeting and an Inspection Form will be completed and signed by the driver and the Manager of Operations.
5. Tires will be properly inflated at all times, and tire repair or new tire requirements shall be requested to the Mechanic, and requires approval of the Manager of Operations.

MAINTENANCE OF CONSTRUCTION TOOLS

1. All tools assigned to each vehicle will be kept in a clean, safe and operational condition.
2. The driver of each truck shall be responsible for keeping a complete set of necessary tools that are in good working condition.
3. No protective equipment such as hot sticks, line hoses and insulated guards shall be painted, but will be properly stored and kept clean when not in use.
4. All power saws shall be properly stored on the trucks in their cases or with saw guards on the blade when not in use.
5. All purchases of tools must be requested and approved by the Purchasing Agent and the Manager or Assistant Manager of Operations and must be accompanied by a receipt or purchase order. The Purchasing Agent shall record the assignment of those tools to the proper person or truck.
6. All required safety equipment and clothing shall be provided by the Cooperative. Line personnel and body belts will be provided by the employee. The Cooperative shall supply gaffs, gloves and safety belts. All Cooperative issued equipment must be requested from the Manager of Operations. It will be his/her responsibility to assign these tools to line personnel and to keep record of said assignments. All hand tools will be inspected once per month.

USE OF VEHICLE NOT REGULARLY ASSIGNED TO YOU

When an employee uses a vehicle not assigned to him/her, the responsible employee shall utilize the fleet gas card, using his/her last four digits of their social security number. Gas used must be replaced before parking the vehicle. Any material used shall be replaced, if possible. If not, the person responsible for that vehicle should be notified of the material used. All tools should be replaced as found.

USE OF COOPERATIVE VEHICLE FOR PRIVATE USE

No Cooperative vehicle shall be used for personal use without prior approval of the President and CEO.

FIRST AID KITS

First Aid Kits shall be checked every week when the vehicle is checked. Forms for Vehicle Check Lists and First Aid Kit Check Lists can be obtained from the Division Assistant of Operations.

INCLEMENT WEATHER ATTENDANCE AND OVERTIME

If you are unable to get to work due to inclement weather, you may use sick leave, vacation or take time off without pay. You may also be able to make up lost hours, if they are within the same work week. Please check with your supervisor on this.

Overtime for hourly non-union employees begins after 40 hours. An employee must be physically on the job, so sick leave or vacation does not count toward overtime. After 40 hours of actually being on the job, you start earning overtime pay.

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REPORTING OF ACCIDENTS

Any accident involving Cooperative personnel and/or Cooperative vehicles shall be reported to the appropriate Department Head and the Executive Assistant immediately or as soon as possible after the accident. The following information is required:

1. License number of all vehicles involved.
2. Driver's license of all drivers involved.
3. Names and addresses of witnesses, including passenger(s).
4. Get name and address of insurance company of the other person involved, if possible.
5. Copy of a police report made on all vehicle accidents.
6. Guidelines for reporting an accident to the Kentucky Public Service Commission shall be strictly observed.

Any accident involving members or the public and the Cooperative shall be reported immediately to the President and CEO, a Department Head and the Executive Assistant. Guidelines for reporting an incident to the Kentucky Public Service Commission shall be strictly observed.

Revised August 9, 2016