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BYLAWS
OF THE
ELECTRIC POWER BOARD
OF THE
METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

NASHVILLE, TENNESSEE

APPROVED 10-29-09

ARTICLE I
ORGANIZATION

SECTION I

Item 1. The Electric Power Board of the Metropolitan Government of Nashville and Davidson County consists of the five statutory members, General Manager, and such other officers, agents, and employees as may from time to time be employed in the conduct and operation of the electric distribution system of the Metropolitan Government of Nashville and Davidson County.

Item 2. For purposes of organization, the designation "Electric Power Board of the Metropolitan Government of Nashville and Davidson County" shall, unless use or context otherwise require, be construed to mean and shall refer to the statutory Board of four members and the Chairman.

Item 3. "Nashville Electric Service" shall be used to designate and refer to the business and operation of the "Board," and all officers and employees, other than those officers specifically provided for by statute, to wit: General Manager, Secretary, Treasurer, and their assistants from time to time appointed, who are officials of the "Board" in their respective capacities.

Item 4. The term 'General Manager' as set forth in Articles 42 and 43 of the Appendix III of the Metropolitan Charter shall hereinafter be referred to and designated as "President and Chief Executive Officer," and the person holding the designated position shall have the same duties and responsibilities as set forth by the Charter and these Bylaws.

The term 'Assistant General Manager,' as set forth in Articles 42 and 43 of Appendix III of the Metropolitan Charter, shall hereinafter be referred to and designated as one of the following: Executive Vice President - Chief Operating Officer; and Vice President - Chief Financial Officer, and the persons holding the created positions shall have the same duties and responsibilities as set forth by the Charter and these Bylaws.

None of the above positions in this Item being designated as President or Vice President in-lieu-of General Manager and Assistant General Manager; and none of said persons filling these positions shall be deemed or considered as under the provisions of civil service in the selection process to fill the position but shall be entitled to all sick, disability, retirement, and similar benefits provided for other employees of the Electric Power Board.

SECTION II

Item 1. The Board, by majority vote, may create (and dissolve) committees of the Board determined to be necessary to gain a better understanding of certain functions and issues of Nashville Electric Service.

The Board adopts the following committees:

1. Audit and Ethics Committee
2. Finance Committee
3. Employee Relations Committee
4. Operations Committee
5. Legal Services Committee

Item 2. The Chairman of the Board shall be ex officio member of all committees. A minimum of two Board members shall serve on each committee. The Chairman of the Board may substitute for an absent board member for the purpose of voting at a committee meeting. One of the Board members shall be appointed by the Chairman to act as the committee Chairman. All Board members serving on each committee shall be appointed by the Chairman of the Board. The Secretary of the Board shall be responsible for calling meetings, filing required reports, and the recording of minutes.

Committees may invite other staff support to attend meetings and may seek input from employees and/or the public if deemed beneficial. Any person desiring to appear before a committee shall submit a request to the President and Chief Executive Officer in writing not less than five days prior to the committee meeting setting out the details of the matter. The Chairman of the committee or, in the absence of the Chairman, the Vice

Chairman will determine when such a requested item or appearance will be placed on the agenda and in what position. When any such item is placed on the agenda, a person will be allowed a reasonable time, not to exceed five minutes, to speak on the subject of such item. However, if one Board member objects to placing the matter on the agenda or permitting the person to speak, the person will not be permitted to address the committee. The committee may recommend that the matter be considered by the Board or make no recommendation on the matter.

Should a committee feel additional positions on the committee are needed, the committee may recommend changes for the Board Chairman's consideration.

Committees shall meet a minimum of two times a year and more frequently if necessary.

A majority of the members shall constitute a quorum.

Item 3. The organization and responsibilities of each committee are as follows:

Audit & Ethics Committee - The Audit & Ethics Committee shall consist of two Board members and a member of the executive staff to be named by the Committee who shall serve as an ex officio member. At least one of the members must be African-American. The VP & General Counsel and the Director of Audit & Internal Controls shall have direct and unrestricted access to the Chair of the Audit & Ethics Committee or to a designated Board committee member.

The Audit & Ethics Committee shall have at least one member who is defined as a financial expert by Section 407 of the Sarbanes-Oxley Act and possess the following skills: understands financial statements; can assess accounting for estimates, reserves, and accruals; experience in preparing or analyzing financial statements; and understands internal controls.

The Audit & Ethics Committee will review and accept the annual audit plan, review proposals for outside auditors, receive reports of internal and external audits and management responses, advise the Board as to the adequacies of management's responses and make recommendations as appropriate.

The Audit & Ethics Committee shall have authority to direct the Director of Audit & Internal Controls to investigate reports of inefficiency, impropriety, and illegal activity. The Audit & Ethics Committee will cause to be investigated any impedance of full disclosure of documents and access to employees during any audit.

For ethics matters involving the Board and employees, the Audit & Ethics Committee shall consider requests by employees or Board members concerning exemptions, clarification, or modification of the Ethics policy and related disclosure statements adopted by the Board.

The Audit & Ethics Committee shall review the Conflict of Interest Statements filed each year after they have been reviewed by the VP & General Counsel and Director of Audit & Internal Controls. The Committee will review reported allegations involving ethical violation by a Board member and make recommendations to the full Board.

Finance Committee - The Finance Committee shall consist of two Board members and a member of the Executive Staff to be named by the Finance Committee shall serve as an ex officio member. The Finance Committee will review and recommend changes to policies, plans, and budgets affecting the financial health of NES.

Employee Relations Committee - The Employee Relations Committee shall consist of two Board members and a member of Executive Staff to be named by the Committee shall serve as an ex officio member.

The Employee Relations Committee will review and recommend changes to policies affecting employee benefits, compensation, work rules, performance, and training.

Operations Committee - The Operations Committee shall consist of two Board members and a member of Executive Staff to be named by the Operations Committee shall serve as an ex officio member.

The Operations Committee will review and recommend changes to policies and plans affecting the operational issues not addressed by other committees.

Legal Services Committee - The Legal Services Committee shall be comprised of all Board members, and the Vice President & General Counsel shall serve as an ex officio member.

The Legal Committee will review any and all legal matters the President and/or VP & General Counsel shall bring to the attention of the committee.

SECTION III

Item 1. The exclusive management and control of the operation of the electric power plant and of the distribution system of the Metropolitan Government of Nashville and Davidson County is vested in the Electric Power Board of the Metropolitan Government of Nashville and Davidson County, with authority to engage, determine the number, and fix the duties of all employees with the further right to delegate to the President and Chief Executive Officer by it selected, such power and authority as it might deem necessary and proper in addition to, but not in conflict with, applicable statutes.

Item 2. The term of office and compensation to be paid the President and Chief Executive Officer shall be fixed by the Board pursuant to the requirements and provisions of these Bylaws and in conformity with the statute.

Item 3. The terms of employment and compensation to be paid all subordinates, agents, representatives, and employees; and all discharges, terminations, layoffs, and grants of leave or other benefits, including pensions, shall be subject to the civil service and pension provisions of Article 43 of the Charter of the Metropolitan Government of Nashville and Davidson County and amendments thereto having application to such employees and shall be in accordance with the formal Classification Plan, Pay Plan, and the Rules of the Electric Employees' Civil Service and Pension Board as now established and provided for and as may be amended or revised from time to time.

Item 4. No compensation in addition to that prescribed by statute shall be paid to any member of the Board.

Item 5. Trips or travel by a member of the Board in the discharge of official duties or in the conduct of official business must have prior approval of a majority of the Board, unless made at the request of the President and Chief Executive Officer. Board related travel expenses incurred by a Board member shall be approved by the Chairman or Vice-Chairman. All payment and/or reimbursement, cash advancements, and filing of expense statements shall be in accordance with NES policy. Any expense, except travel expense, incurred by members of the Board in the discharge of official duties or in the conduct of official business shall be submitted prior to such cost being incurred to the Board for approval.

Item 6. The Electric Power Board shall indemnify the members of the Electric Power Board, the President, Vice Presidents, the Vice President & General Counsel, and members and Secretaries of the Board and the Electric Employees' Civil Service and Pension Board from any liability for damages arising out of the performance of their official duties and while engaged in the course of their employment or discharge or attempted discharge of their official duties. The Electric Power Board is authorized and required to provide legal counsel for the Electric Employees' Civil Service and Pension Board and named officers to defend any claims and to indemnify them from any judgment rendered against them or any one of them; provided, however, that such indemnity shall not extend to any judgment for punitive damages unless such punitive damages are included in the coverage of any insurance policy issued to the Electric Power Board and even though such amount may be within any deductible. Such indemnity shall not extend to any judgment for damages arising out of any willful wrongdoing as such term has been construed or will be construed in the statutes of the State of Tennessee providing for indemnity to officials or employees of municipal governments.

It is the intent that for any suit for which there is insurance coverage for the Electric Power Board under any comprehensive general liability insurance policy or any other policy of insurance providing coverage for the Electric Power Board, its officers and employees

that said members of the Electric Employees' Civil Service and Pension Board will be indemnified for any self-insured or deductible portion. In any suit for which there is no insurance and no immunity or qualified immunity, members of the Electric Power Board and named officers, and the Electric Employees' Civil Service and Pension Board shall be indemnified from any judgment rendered against them or any one of them arising out of the performance of their official duties while engaged in the course of their employment or discharge or attempted discharge of their official duties, except said indemnity shall not extend to any judgment for punitive damages or damages arising out of any willful wrongdoing by any such Board member or officer claiming indemnity.

It is not the intent of the Board to waive any immunity that the Board or other officers would otherwise have or to provide protection for any amounts above the limits set in the Resolution of the Board applicable to claims under the Tennessee Governmental Tort Liability Act.

Item 7. The Electric Power Board shall indemnify the employees of the Board from any liability or damages arising out of the performance of their official duties and while engaged in the course of their employment or discharge or attempted discharge of their official duties. Provided, however, that this indemnification shall not be in excess of the amounts established for governmental entities in Tennessee Code Annotated Section 29-20-403 and the limits on the per person and total amount of the accident amount shall be the same as set forth by Tennessee Code Annotated Section 29-20-403. This indemnification is of no force and effect if the act or omission was willful, criminal, or performed for personal financial gain by the employee. Such indemnity shall not extend to any judgment for punitive damages.

It is the intent that for any suit for which there is insurance coverage for the Electric Power Board under any comprehensive general liability insurance policy or any other policy of insurance providing coverage for the Electric Power Board, its officers and employees that said employees will be indemnified for any self-insured or deductible portion not to

exceed the limits set by Tennessee Code Annotated Section 29-20-403. In any suit for which there is no insurance and no immunity or qualified immunity, employees shall be indemnified from any judgment rendered against them or any one of them arising out of the performance of their official duties while engaged in the course of their employment or discharge or attempted discharge of their official duties to the limits set by Tennessee Code Annotated Section 29-20-403, except said indemnity shall not extend to any judgment for punitive damages or damages arising out of any willful, malicious, criminal, or any act performed for personal financial gain.

ARTICLE II

MEETINGS

SECTION I

Item 1. The fiscal year governing operations and conduct of the business of the Board is fixed at July 1 through June 30 of each year. The first fiscal year shall be from commencement of operations of the business of the Board through June 30, 1940.

Item 2. An annual meeting of the Board shall be held on the fourth Wednesday in July, immediately following the Regular Meeting of the Electric Employees' Civil Service and Pension Board, at the principal business office of the Board - the Nashville Electric Service - at which time there shall be submitted to the Board a complete and detailed report of the preceding year's operations.

Item 3. In obedience to the provisions of the statute, public meetings of the Board shall be held on the fourth Wednesday of each month except for the December meeting which will be held on the third Wednesday at the principal business office of the Board - the Nashville Electric Service - and changes in the place of holding such meetings may be made, but only upon notice, which shall be given one week in advance by one insertion in a local newspaper published in Nashville, Davidson County, Tennessee, which notice shall state the former place of meeting and the place to which the meeting has been changed.

Item 4. For all meetings of the Board, except special meetings as provided for in Paragraph 6 of this Section, there shall be an agenda prepared for the meeting and transmitted to each Board member at least four (4) days prior to the date of the meeting. This agenda will cover all matters to be considered by the Board. Anyone, other than the Board, desiring to have an item on the Board's agenda for consideration, shall submit a request to the President and Chief Executive Officer in writing not less than five (5) days prior to the meeting setting out details of the matter. The Chairman, or Vice-Chairman in his absence, will determine when such requested item will be placed on the agenda and in what position. When any such item is placed on the agenda, one person will be allowed a

reasonable time, not to exceed five minutes, to speak on the subject of such item provided there is unanimous approval by the members of the Board. Matters considered by the Board at Special Meetings, as provided for in Item 6, shall be limited to those matters stated in the call of the meeting. Members of the public will be heard to discuss such items for a reasonable time, not to exceed five minutes, only by unanimous approval of the Board and when recognized by the Chairman.

Item 5. At the public meeting held in the month of June of each year, there shall be submitted to the Board for consideration all proposed estimates and budgets to cover the next succeeding fiscal year.

Item 6. Special meetings of the Board shall be called by the Secretary or Assistant Secretary at such time and place as may be fixed and determined by the Chairman or upon the written request of any two members of the Board, and notice of such meetings shall be given all members. Such notice shall be in writing or by telegram, and shall be sufficient if sent to the business address of each Board member, stating the purpose for which the meeting is called. Copies of notices of special meetings shall be sent to the daily newspaper in Nashville at the same time they are sent to Board members.

Item 7. No notice of the annual or monthly public meetings shall be required. Nothing in the action of the Board shall be construed to prevent the Board from at any time going into executive session by vote of a majority of the members present.

SECTION II

Item 1. At the annual and monthly public meetings of the Board, any business may be transacted which is properly brought before the meeting. At special meetings, only such business may be transacted as is included in the call or of which notice is given the members.

Item 2. At all meetings three members of the Board shall constitute a quorum for the transaction of business, and all questions before the meeting shall be determined by a majority vote of those present.

Item 3. If a quorum fail to attend any annual or public meeting, those members who do attend may adjourn from time to time until such time as the meeting shall be legally constituted to transact business; and at the adjourned meeting, all such business may be transacted as could have been transacted under these Bylaws at the meeting at which adjournment was had.

SECTION III

Item 1. The Chairman shall preside at all meetings of the Board except that in the Chairman's absence the Vice-Chairman may preside. If neither the Chairman nor the Vice-Chairman is present and a quorum is had, the members shall elect a temporary Chairman to preside at any such meeting.

Item 2. The Secretary of the Board shall, by virtue of his office, be Secretary at all meetings except that the Assistant Secretary may attend all meetings and perform the usual and customary duties of the regular Secretary. Should both the Secretary and Assistant Secretary fail to attend, a temporary Secretary shall be appointed by the presiding officer, and the person so appointed shall perform all the usual and customary duties of the regular Secretary.

Item 3. The proceedings of all meetings of the Board shall be conducted in an orderly manner without distraction or interference and shall be accurately kept by the Secretary, shall be attested by the officer keeping the proceedings, and shall be verified and signed by the Chairman of the meeting. The Minutes of all Board meetings shall be kept in permanent volumes, well-bound, and shall constitute a permanent record of the Board.

ARTICLE III

OFFICERS

SECTION I

Item 1. The statutory officers of the Board consists of a Chairman, Vice-Chairman, Secretary, Treasurer, General Manager (President and Chief Executive Officer) and a Vice President & General Counsel. A Chairman and Vice-Chairman will be elected at the annual meeting by and from the members of the Board by a majority vote, and a Chairman and Vice-Chairman will thereafter be selected in like manner by the Board each year. At such annual meeting, a Chairman and Vice-Chairman shall be elected for the coming year. The Board member serving the fifth year of his or her term will be elected Chairman and the Board member serving the fourth year of his or her term will be elected Vice-Chairman, unless the Board provides otherwise by a majority vote of the members.

(a) A Chairman and Vice Chairman shall be elected by and from the members of the Board by a majority vote and a new Chairman and Vice Chairman shall thereafter be selected in like manner by the Board each year.

(b) The limitations prescribed by this amendment shall apply to those officers elected subsequent to its adoption and this amendment shall have no retroactive effect.

Item 2. The Board may, in its discretion, combine the offices of Secretary and Treasurer, assistants to either or any of them, and such offices may be combined in such way as the Board may determine.

Item 3. Assistants to all officers, other than the Chairman and Vice-Chairman, may be appointed by the Board as may be from time to time required to properly transact and conduct the business of the Board. Assistants to any officer shall have only such power and authority and shall perform only those duties as may be prescribed by the Board but may exercise all the power and authority given or had by the officers to whom they are made assistants if such authority is conferred by the Board.

Item 4. The terms of office of all officers not prescribed by the statute or the civil service provisions of the same shall be, unless otherwise fixed by the Board, for one month and thereafter shall be automatically renewed for each succeeding month unless terminated or changed by action of the Board.

Item 5. Any office, other than those for which specific provision is made by statute, may be abolished at any time by the Board.

SECTION II

Item 1. The President and Chief Executive Officer, Secretary, Treasurer, and their assistants, and all others who by virtue of their office or under direction of the Board are responsible for the funds or property of the Board or the Metropolitan Government of Nashville and Davidson County shall be required to execute good and sufficient bonds and in such a manner as by resolution of the Board may be prescribed.

SECTION III

Item 1. The Chairman of the Board, in addition to those duties prescribed by statute, shall preside at all meetings of the Board and shall be an ex officio member of any and all committees or other administrative groups, which may from time to time by the Board be appointed. The Chairman shall have general administrative and executive charge of the business of the Board, subject to its supervision and control, and shall see that all resolutions or orders of the Board are properly executed. Subject to the supervision of the Board, the Chairman shall have charge of the operations and business of the Board and, within the limits of the provisions of the Act and the resolutions and orders of the Board, shall be charged with and shall have control over the conduct and operation of the electric plant and/or distribution system. The Chairman shall make such reports as to the discharge of duties and the conduct of the business as may from time to time by the Board be prescribed. The Chairman shall sign all agreements, contracts, transfers, and conveyances as

required by the statute or as may be authorized by the Board except to the extent that such right is or may be delegated to the President and Chief Executive Officer by the statute or by appropriate action of the Board.

Item 2. The Vice-Chairman shall have and exercise all the authority of the Chairman when the latter is not available or is unable, fails, or refuses to act and discharge the duties of the office.

Item 3. The Secretary shall keep the minutes of all meetings of the Board, shall attend to the giving and serving of all notices required by statute or these bylaws, shall attest the minutes of all meetings unless such duties are assigned to the Assistant Secretary. The Secretary shall attend all meetings of the Board, shall attest all agreements, contracts, transfers and conveyances of property other and except for those which the President and Chief Executive Officer under the supervision of the Board is authorized to execute. The Secretary shall be charged with the proper preparation and timely filing of the financial statements of the Board provided for by the statute; and shall also see that all such statements are properly filed with the Mayor and the Clerk of the Metropolitan Council, and that publication thereof is also made.

Item 4. The Treasurer shall receive and be custodian of all funds payable to the Board by reason of the operation and conduct of its business and shall be charged with responsibility therefor, the safekeeping thereof, and their proper deposit in conformity with the provisions of the statutes and the orders and resolutions of the Board. The Treasurer shall be custodian of all securities, evidences of indebtedness due the Board and such records as are necessary or proper in connection therewith, and in order to at all times acquaint the Board with such matters and to enable it and its officers to have and obtain accurate data and information with reference thereto. The Treasurer shall make such reports as may be required from time to time and shall have such other and further duties as may be by the Board prescribed.

Item 5. The President and Chief Executive Officer, under supervision of the Board and the Chairman as in these bylaws prescribed, shall have charge of all actual construction and the immediate management and operation of the electric plant, distribution system, and properties and operations of the Board, and shall be directly chargeable with the enforcement and execution of all rules, regulations, programs, plans, and decisions of the Board. The President and Chief Executive Officer shall counter-sign all checks drawn on the funds of the Board and shall be responsible for the filing of all reports which the Secretary is required to prepare, furnish, or file for or on behalf of the Board. The President and Chief Executive Officer is authorized and empowered and the Board hereby delegates to the President and Chief Executive Officer the right and authority to make, execute, let and sign all contracts, agreements, deeds, transfers and other conveyances involving \$50,000 or less in amount. Contracts exceeding said amount shall be executed as is herein otherwise provided. All contracts which the President and Chief Executive Officer is hereby authorized to make and which involve the purchase or disposition of property not directly used in connection with active operations of the business of the Board must be approved by the Chairman. The President and Chief Executive Officer is authorized and empowered to grant increases in compensation paid subordinate employees in accordance with the Pay Plan. When purchase orders for personal property involving more than Fifty Thousand Dollars (\$50,000.00) are approved by the Board, the Purchasing Manager is authorized and empowered to certify the Board's approval by appropriate words placed upon such purchase orders, the date of the Board's approval, and his/her signature affixed. The Executive Vice President & Chief Operating Officer and Vice President & Chief Financial Officer appointed by the Board shall, in the absence of the President and Chief Executive Officer or when the President and Chief Executive Officer is unable to act or when delegated by the President and Chief Executive Officer, have the same authority as the President and Chief Executive Officer unless otherwise prescribed or limited by the Board.

(1) Emergency or Natural Disaster:

In the event of an emergency or natural disaster, any two officers holding the positions of President & CEO; Executive Vice President & COO; or Vice President & CFO are authorized to make emergency expenditures up to \$100,000 subject to the following conditions:

- A. It is determined that an emergency or natural disaster exists; that swift and immediate action is necessary; and that the convening of the Electric Power Board is impractical or impossible.
- B. The President & CEO shall present a report on the use of emergency funds at the next Board meeting following the emergency and at each subsequent Board meeting thereafter until there is a full and complete accounting of emergency expenditures.

(2) Increases to Board Approved Contracts and Other Commitments:

To provide a means of allowing uninterrupted progress on Board-approved business, any two officers holding the positions of President & CEO; Executive Vice President & COO; or Vice President & CFO are authorized to approve increases of Board-approved contracts and commitments up to \$50,000 when a need arises before the next scheduled Board meeting.

- A. All such increases and the reasons for invoking this authorization must be reported to the Board at its next regular meeting.
- B. Circumstances requiring such action would include:
 - 1. Construction or repair change orders because of the discovery of unexpected conditions or the imposition of a reasonably unanticipated codes requirement where work would have to stop until the next Board meeting.
 - 2. Legal matters that would require additional work or impose a time constraint to proceed before the Board would meet again.

3. Maintenance contracts where a current repair will cause the authorized amount to be exceeded and the repair is needed before the Board would meet again.

C. The action and expenditures must be submitted to the Board for approval at its next scheduled meeting.

The President and Chief Executive Officer is authorized and empowered, and the Board hereby delegates unto the President and Chief Executive Officer the right and authority to select, choose, or appoint persons to the following positions:

Executive Vice President - Chief Operating Officer; Vice President - Chief Financial Officer/Secretary-Treasurer to the Electric Power Board; Vice President - Operations, Vice President - Chief Customer Care Officer; Vice President - Procurement & Administrative Services; Vice President - Chief Information Officer; and Vice President - Human Resources, and with the approval of the Board, a Vice President & General Counsel.

The President and Chief Executive Officer is further authorized and empowered and the Board hereby delegates unto the President and Chief Executive Officer the right and authority to set the salary of these Vice Presidents within the limits set by the Board.

The President and Chief Executive Officer is further authorized and empowered and the Board hereby delegates unto the President and Chief Executive Officer the right and authority, pursuant to the Rules and Bylaws, to suspend and discipline persons holding the positions of: Executive Vice President - Chief Operating Officer; Vice President - Chief Financial Officer/Secretary-Treasurer to the Power Board; Vice President - Chief Information Officer; Vice President - Operations; Vice President - Procurement & Administrative Services; Vice President - Human Resources; Vice President - Chief Customer Care Officer ;and Vice President & General Counsel.

The Board authorizes the President and Chief Executive Officer the right to bring charges to dismiss or terminate the aforesaid Vice Presidents but does not delegate the right to dismiss or terminate any employee and expressly retains for its own consideration and sole determination this authority pursuant to the procedures as set forth by the Charter and the Civil Service Rules.

Item 6. The Vice President & General Counsel shall have general charge and supervision of the legal work in connection with the operation and conduct of the Board's affairs and shall do and perform all such other acts and services of a legal nature as may from time to time be required of him by the Board. The Vice President & General Counsel is also in charge of governmental affairs and represents the Board in lobbying activities.

The Vice President & General Counsel is also a part of Management and is under the supervision of the President & CEO regarding management of administrative oversight, performance appraisals, Civil Service Rules, and the pay plan as other Civil Service employees. To the extent the Vice President & General Counsel is engaged in legal work in connection with the operation or conduct of the Board affairs that have been delegated to the President & CEO then immediate supervision is under the President & CEO. However, to the extent the VP & General Counsel is engaged in other services of a legal nature required of him by the Board and in matters of an equitable conflict or matters that should be brought to the attention of the Board, supervisory authority is by the Board.

ARTICLE IV

GENERAL PROVISIONS

SECTION I

Item 1. All contracts, agreements, transfers, and conveyances shall be made and all properties shall be acquired, held, owned, and transferred in the name of the Metropolitan Government of Nashville and Davidson County. All contracts must be approved for form and legality by NES Vice President & General Counsel and signed by the President & CEO. All such agreements, transfers and conveyances exceeding \$50,000 shall also be signed by the Chairman or Vice-Chairman of the Board. All contracts shall be attested by the Secretary or Assistant Secretary of the Board. The Chairman or Vice Chairman is authorized to sign the following types of contracts without additional Board approval:

1. Power contracts with retail customers, the terms of which comply with the TVA Power Contract, amendments, and rate schedules previously approved by the Board.
2. Contracts with third parties such as contractors, equipment distributors, and/or retail customers in which the funding is reimbursable under Board approved TVA programs.
3. Contracts with developers for system expansion with or without aid in construction requirements if contract is developed in accordance with Board approved customer service policies.
4. Contracts with Metro, State, or Federal governmental agencies involving relocation of electric distribution facilities on a total reimbursement basis.
5. Contracts involving only a name change resulting from the purchase or merger of the original company. All other terms and conditions remain unchanged.

The President and CEO is authorized to make, let, sign, and otherwise execute all such contracts, agreements, deeds, transfers or other conveyances where not in excess of Fifty Thousand Dollars (\$50,000.00) is involved. The Procurement Manager is authorized to sign all orders or contracts for purchase requisitions and field purchase orders. Purchase

requisitions, field purchase orders, invoices, petty cash vouchers, and check requests must be approved at the following levels:

<u>Levels of Authorization</u>	<u>Dollar Amount</u>
Supervisors	up to \$5,000
Vice President & Managers	up to \$9,999.99
CEO, COO and CFO	\$10,000 – up to \$50,000
EPB	over \$50,000

Customer Service Representatives may make adjustments to customers' accounts for late charges, billing errors, returned check charges, and turn on fees, when warranted, and not in excess of \$25. Adjustments in excess of \$25 will require the same level of approval as defined above.

Section Managers and directors may approve deposit refunds, overpayment of accounts, payroll related items, service-connected medical bills, Metro Water Department bills and deposits collected, payments for heat pump installations, and other energy related activities, which are reimbursable by TVA.

The President and CEO or Vice Presidents, where applicable, may approve payments to companies for utility services including make-ready work, excess height, and sacrificed life as long as there are approved contracts for such services. Vice Presidents may also approve payments for postage and sales tax as required.

Item 2. Checks drawn on revenues or other funds of the Board, shall be signed by the Vice President and Chief Financial Officer, the Assistant Secretary Treasurer, or Accounting Manager, and countersigned by the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, Vice President and Chief Financial Officer, or other assistant appointed by the Board in the absence of the President and Chief Executive Officer or Executive Vice President and Chief Operating Officer, Vice President and Chief Financial Officer and shall be in such form as is or may be from time to time prescribed by the Board. Properly authorized disbursements below \$50,000 and payroll

related checks, such as the payroll deposits and withholdings, may be signed with a facsimile plate or electronically printed on all checks. All disbursements except for payroll must be supported by contract, invoice, or other support verifying the validity of the expenditures.

Item 3. All bills, notes, bonds, mortgages, and other charges placed upon the property of the Board in order to be valid shall be signed by the Chairman or Vice-Chairman of the Board and attested by the Secretary or an Assistant Secretary.

Item 4. Checks, bills, notes and other evidences of indebtedness due the Board may be payable to the "Nashville Electric Service" and all such checks, bills, notes, and other evidences of indebtednesses, whether payable to the "Nashville Electric Service" or payable to the Board, shall be endorsed and deposited in the authorized depository of the Board.

Item 5. The President and Chief Executive Officer and the Vice President and Chief Financial Officer, with the approval of the Vice President & General Counsel, be and are hereby authorized to sell, assign, and dispose of any and all stock bonds, and other financial instruments received by or for payment of debts owed to Nashville Electric Service and/or Board. This authorization is subject to limitations set forth in Article III, Section III of the Bylaws.

SECTION II

Item 1. All funds of the Board shall be deposited, kept and maintained in such depository or depositories as the Board may from time to time designate by motion, rule or regulation, all such funds being deposited in the name of the Metropolitan Government of Nashville and Davidson County with such particular or special designation as the Board may from time to time determine to be necessary, proper or convenient, and consistent with the provisions of the Charter of the Metropolitan Government of Nashville and Davidson County, Tennessee, as amended, and ordinances of the Metropolitan Government of Nashville and Davidson County authorizing issuance of Revenue Bonds for purchase of the properties of the Board.

SECTION III

Item 1. Notwithstanding the foregoing provisions, special accounts may be established by the President and Chief Executive Officer to implement administration of any employee benefit plan or program adopted by the Board and administrator of such a plan operating under contract with the Board is delegated authority to sign checks against such special account.

Item 2. All other provisions hereof to the contrary are amended to conform herewith.

SECTION IV

Item 1. The Board will not use its external auditing firm to provide any non-audit service contemporaneously with an audit which includes: (1) bookkeeping or other services related to the accounting records or financial statements of the audit client; (2) financial information systems design and implementation ; (3) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (4) actuarial services; (5) internal audit outsourcing services; (6) management functions or human resources; (7) broker or dealer, investment adviser, or investment banking services; (8) legal services and expert services unrelated to the audit; (9) any other service that the Board determines is impermissible.

ARTICLE V
ORDER OF BUSINESS

SECTION I

Item 1. The order of business at all meetings, other than special meetings of the Board, shall be as follows:

A quorum being present as well as a Chairman and Secretary having been elected or appointed as hereinbefore provided.

1. Reading and approval of minutes.
2. Reports of officers and committees.
3. Recommendations
4. Disposition of all matters relating to employees and personnel. (Recess to Civil Service Board)
5. Adjournment.

ARTICLE VI
AMENDMENTS

SECTION I

Item 1. These Bylaws may be modified, altered, amended, increased, or diminished by affirmative vote of a majority of the members of the entire Board at any properly constituted meeting, provided such action is specified in the given agenda therefor.

The foregoing is a true and correct copy of the Bylaws of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County, as originally adopted September 27, 1939, with all amendments and revisions approved by the Electric Power Board through October 29, 2009.

Attest:

Secretary

**BYLAWS OF THE ELECTRIC POWER BOARD
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