

BOARD POLICY NO. 3

POLICY ON PRIVACY AND CONFIDENTIALITY

I. Objective

To establish fair information principles for Peninsula Light Company (PLC) in carrying out its responsibility to respect the privacy and confidentiality of confidential member-consumer Information.

II. Policy

A. **Categories of Information Collected.** PLC collects and maintains appropriate information about its member-consumers as may be necessary to render service. PLC discloses to its member-consumers its policies and practices for the collection, maintenance, use, and disclosure of confidential member-consumer Information. Information collected by PLC includes, without limitation:

1. Contact information, including a member consumer's name, address, telephone number and their user name and password for online access to their Peninsula account.
2. Billing information, including Social Security number, credit information, financial account information and payment history.
3. Electric usage data gathered by PLC's metering systems and a member-consumer's service history, including information maintained for meter reading purposes.
4. PLC may survey a sample of its member-consumers to collect information to identify needs or improve service.
5. Other activities by PLC or its affiliates may result in the collection of additional information about a member-consumer's property, appliances, and activities. This information will be collected and maintained only when and to the extent appropriate to provide services to the member-consumer. In addition, information may be collected and maintained about a member-consumer, including information about eligibility for programs administered by PLC or by any government or non-governmental organization that provides financial assistance for current and future utility bills, information about special medical needs requiring continuous electric service and other information that PLC deems necessary to provide electric or water service.

6. Membership and cooperative governance activities may result in the maintenance of capital account information for members and former members, and contact information for former members.
7. PLC has adopted an Identity Theft Protection Program.
8. This notice describes generally PLC's current privacy and confidentiality policies. The policy is not a formal limitation on the ability of PLC to use, manage, and disclose its records as PLC determines to be necessary, appropriate, or as permitted or required by law. This Policy is subject to change without notice.

B. How PLC Collects Member-Consumer Information. PLC collects member-consumer information through the following methods:

1. When member-consumers create an account and interact with PLC regarding their account, utility service, or participation in PLC programs.
2. When member-consumers use electricity service and metering systems, including "smart meters."
3. When member-consumers interact with PLC through its website.
4. When PLC interacts with third parties, such as credit agencies.

C. Use and Retention of Member Consumer Information by PLC.

1. PLC uses information about member-consumers in defined and responsible ways in order to manage, provide, and improve its products, services, and operations, such as to: administer member-consumer accounts; inform member-consumers about their energy usage; provide member-consumers with outage information, peak alerts, and warning messages; and communicate with member-consumers about programs or opportunities that may be of interest to them.
2. Data about member-consumers' electric usage may be compiled in aggregate form so that an individual member-consumer's daily energy usage habits are not revealed, and such data may be used by PLC to improve system operations, efficiency and overall customer service.
3. PLC retains member-consumer information, including energy usage data, in such amounts and for such periods of time as required by law or regulation or as reasonably necessary to provide services.

D. Security.

1. PLC maintains member-consumer information with reasonable and appropriate technical, administrative, physical, and cyber safeguards to protect against loss, unauthorized access, destruction, misuse, modification, and improper disclosure of member-consumer information. Member-consumers are warned, however, that no system can ever be fully protected against every possible hazard.
2. PLC requires its employees, affiliates and contractors who have access to member-consumer information to comply with this privacy and confidentiality policy.
3. Member-consumer information that member-consumers may access through PLC's website is protected using cyber security protocols designed to prevent unauthorized third parties from accessing such information.

E. Disclosure to Third Parties.

1. PLC does not share member-consumer information with a third party, except at the member-consumer's request or with the member-consumer's consent, or as described below.
2. Information may be disclosed to affiliates or contractors hired by PLC to assist in carrying out operations such as service, billing, and management functions including legal, audit, and collection services. Information may also be shared with other utilities under shared service agreements or to meet operational requirements. Information will only be disclosed to such persons to the extent necessary to render the services, and only to those who agree to maintain the confidentiality and security of the information.
3. Information may be disclosed to and shared with commercial and consumer credit reporting agencies for credit-related activities (e.g., the reporting of bad debts).
4. PLC uses confidential member-consumer information to implement compliance with its Identity Theft Protection Program.
5. Records may be disclosed to government regulators and other government agencies when authorized or required by law.
6. Sufficiently aggregated information may be disclosed to third parties where necessary or beneficial for PLC's operations. Information

may also be compiled in aggregate form for PLC management activities.

7. Information may be disclosed when required by law, such as in response to a search warrant, subpoena, or court order. PLC may use and disclose records for investigations into employee misconduct or for law enforcement investigations related to our business. Disclosures may also be made, when appropriate, to protect PLC's legal rights or during emergencies if physical safety is believed to be at risk. These events are unlikely, but they are possible. PLC will take reasonable steps to limit the scope and consequences of any of these disclosures. PLC complies with all applicable laws and regulations limiting or otherwise governing the use and disclosure of member-consumer Information.
8. PLC does not sell, rent, loan, exchange, or otherwise release member-consumer information to non-affiliated third parties or partners for their marketing purposes without a member-consumer's consent.
9. PLC may make information regarding third party products and services available to member-consumers through PLC's website.
10. The members of PLC have the right to authorize other uses and disclosures of their own information.
11. Information regarding customers of water systems managed by PLC pursuant to management contracts may be used or disclosed pursuant to the terms of the management contract.

F. Questions and Disputes. Implementation of this policy is supervised by the Chief Executive Officer or designee. Questions about the policy may be directed to the Chief Executive Officer or designee. Any disputes over access, correction, or other matters may also be directed to the Chief Executive Officer or designee. PLC will do its best to resolve any questions or problems that arise regarding the collection or use of confidential member-consumer information.

III. Responsibility

- A. The Chief Executive Officer shall ensure that this policy is adhered to.
- B. The Board shall ensure that this policy reflects current practices of management for handling confidential member-consumer Information.

APPROVED BY THE BOARD OF DIRECTORS

BY: Nick Markovich, President

DATE REVISED: November 11, 2010

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