

PEDERNALES ELECTRIC COOPERATIVE, INC.

IDENTITY THEFT PREVENTION POLICY

Presently, the Cooperative has various written and unwritten procedures for the protection of member information. These procedures are designed to keep member information confidential and secure. Applicable Cooperative departments have been responsible for the development and maintenance of such procedures.

Pursuant to the Fair and Accurate Credit Transactions Act ("FACTA"), the Cooperative must establish reasonable policies and procedures for identifying possible risks of identity theft to its members. Earlier this year, a joint effort by several federal agencies issued guidelines to assist in compliance with FACTA. These guidelines are found in 72 CFR §681.2 and requires the Cooperative to develop and maintain a written identity theft prevention program in connection with covered accounts. According to the guidelines, membership accounts are covered accounts.

BE IT RESOLVED THAT, the Board of Directors hereby approves the development and maintenance of a written identity theft prevention program which shall detect, prevent and mitigate identity theft in connection with the opening of new membership accounts or maintenance of existing membership accounts.

BE IT FURTHER RESOLVED THAT, the Board of Directors hereby designates the General Manager, or his designee, to oversee the implementation and maintenance of the identity theft prevention program. In support of this responsibility, the General Manager, or his designee, shall prepare and periodically review reports on the program to determine compliance with the guidelines found in 72 CFR §681.2.

BE IT FUTHER RESOLVED THAT, the General Manager, or his designee, shall annually present to the Board of Directors a status report on the program, describing the effectiveness of the program, service provider arrangements, significant incidents involving identity theft and management's response, and recommendations, if any, for material changes to the program.