

# PRIVACY ~~AND CONFIDENTIALITY~~ POLICY

## PEDERNALES ELECTRIC COOPERATIVE, INC.

BOARD ADOPTED: April 20, 2009

BOARD AMENDMENTS: December 14, 2009

### 1. PurposeObjective

~~To establish fair information principles for Pedernales Electric Cooperative (“The Cooperative”) in carrying out its responsibility to respect the privacy and confidentiality of member information.~~

1.1. Pedernales Electric Cooperative (“PEC” or “Cooperative”) recognizes the importance of having effective and meaningful privacy and confidentiality protections in place when it collects, uses, discloses, and retains Personal Information or Confidential Business Information of Members. The purpose of this Privacy Policy (“Policy”) is to establish the standards to be applied across PEC in carrying out its responsibility and commitment to respecting the privacy and confidentiality of Personal Information or Confidential Business Information.

1.2. PEC’s Online Privacy Statement and Terms of Use explain the use and treatment of information collected through PEC’s online interfaces, including its website, mobile applications, and applications PEC uses on social media platforms.

1.3. In addition to protecting Member Personal Information or Confidential Business Information in PEC’s possession, PEC has implemented an Identify Theft Red Flags Program meant to detect, prevent, and mitigate risks of identity theft to its Members in connection with the opening or maintenance of membership accounts.

### 2. Scope

2.1. This Policy applies to the PEC Board of Directors (“Board”) and all PEC employees.

2.2. This Policy applies to the collection, use, disclosure, and retention of Personal Information or Confidential Business Information by PEC or PEC’s authorized third-party business partners, and is subject to change without notice.

2.3. This Policy does not address data confidentiality requirements between PEC and its third-party business partners; those requirements are located within the applicable contracts or other forms of authorization.

2.4. This Policy does not limit PEC’s ability to use, manage, disclose, and retain its Records as PEC determines to be necessary and appropriate, or as required by law.

### 2.3. Policy and Implementation

#### A. Collection of Personal Information or Confidential Business InformationNotice

~~1. The Cooperative discloses to its members its policies and practices for the collection, maintenance, use, and disclosure of identifiable information about its members.~~

1. PEC collects Personal Information or Confidential Business Information in accordance with applicable laws and in observation of the legal rights of its Members. The Cooperative collects and maintains appropriate information about its members as a routine part of its operations.

2. PEC strives to limit its collection of Personal Information of Confidential

# PRIVACY AND CONFIDENTIALITY POLICY

## PEDERNALES ELECTRIC COOPERATIVE, INC.

BOARD ADOPTED: April 20, 2009

BOARD AMENDMENTS: December 14, 2009

Business Information to the minimum amount necessary to support PEC business.

3. Personal Information or Confidential Business Information is (1) provided to PEC directly by its Members, (2) collected automatically by PEC through interactions with its Members, and (3) obtained from third-parties in relation to PEC business.
4. Personal Information or Confidential Business Information that PEC may collect includes, but is not limited to, the following: When providing electricity and related services, the Cooperative may collect and maintain personal information from members, including Name, address, address history, date of birth, telephone number(s), email addresses(s), Social Security number, driver's license number, government-issued identification number, credit information, capital credit/patronage account information, PEC elections/voting information, and payment and account usage history information. Account information Usage history may include information on a member's property and appliances, service history, and information maintained for meter reading purposes (e.g., warning about a dog in the yard or gate lock combination).
5. PEC may obtain Personal Information or Confidential Business Information as part of the following activities:
  - Membership account management (including account set-up, billing, payment processing, collections, etc.).
  - Electric services and outage management.
  - Capital and patronage account management.
  - Governance activities (including election activity and comments submitted for consideration by the Board during public meetings).
  - Real estate acquisitions for planned electric distribution or electric transmission projects.
  - Membership surveys to identify needs or improve service.
  - Involvement with PEC's community support programs.
  - Accessing or engaging PEC through PEC's website.
  - Viewing, commenting on, or otherwise interacting with a PEC social media account and/or PEC social media posting.

~~2.~~

- ~~3. Membership and governance activities may result in the maintenance of capital and patronage account information for members and former members.~~
- ~~4. The Cooperative may survey a sample of its members to collect information to identify needs or improve service.~~
- ~~5. This notice describes generally the Cooperative's privacy and confidentiality policies. The policy is not a formal limitation on the ability of the Cooperative to use, manage, and disclose its records as the Cooperative determines to be necessary, appropriate, or as required by law. It is subject to change without notice.~~

**PRIVACY ~~AND CONFIDENTIALITY~~ POLICY**

**PEDERNALES ELECTRIC COOPERATIVE, INC.**

**BOARD ADOPTED: April 20, 2009**

**BOARD AMENDMENTS: December 14, 2009**

**B. Access to Personal Information or Confidential Business Information Trust**

- ~~1. General Practices: The Cooperative maintains information about members for purposes that are suitable to its operations and management. Information is collected only through lawful and fair means and for appropriate purposes. The Cooperative is committed to maintaining accurate, complete, timely, relevant,~~

# PRIVACY ~~AND CONFIDENTIALITY~~ POLICY

## PEDERNALES ELECTRIC COOPERATIVE, INC.

BOARD ADOPTED: April 20, 2009

BOARD AMENDMENTS: December 14, 2009

~~and appropriate information about members as necessary for the purpose for which the information is to be used.~~

~~2. Access: The Cooperative generally permits its Mmembers may request to access to their Personal Information or Confidential Business Information records about themselves that are used by the Cooperative to provide service, for billing, and to manage capital accounts by requesting it in writing through mail or email in accordance with Section 300.4 of PEC's Tariff and Business Rules. Any person who wants to identify personal records maintained by the Cooperative or access the records:~~

~~3.~~

~~**Open Records Request  
Pedernales Electric Cooperative, Inc.  
P.O. Box 1  
Johnson City, Texas 78636-0001**~~

### C. Security of Personal Information or Confidential Business Information

~~1. PECThe Cooperative maintains Personal Information or Confidential Businessmember iinformation with commercially reasonable and appropriate ~~with~~ technical, administrative, and physical safeguards that strive to protect against loss, unauthorized access, destruction, misuse, modification, and improper disclosure. No record or computer system can ever be fully protected against every possible hazard. The Cooperative provides reasonable and appropriate security to protect against foreseeable hazards.~~

~~2. PEC has implemented procedures related to data protection for Personal Information or Confidential Business Information. Any employee who fails to comply with any applicable PEC Policy or procedure may be subject to disciplinary action up to and including termination.~~

~~3. PEC attempts to limit access to Personal Information or Confidential Business Information to PEC employees with a "need to know" and authorized third-party business partners necessary to conduct PEC business.~~

~~4.4. PEC generally requires its authorized third-party business partners (e.g., related organizations, affiliates, vendors, or contractors) to use and maintain Personal Information or Confidential Business Information only to the extent necessary to perform their obligations within their agreements with PEC.~~

~~2.1. Any employee or contractor of the Cooperative who fails to comply with these rules may be subject to disciplinary action up to and including dismissal.~~

### D. Identity Theft Identification Program

~~1. Pursuant to the Fair and Accurate Credit Transactions Act ("FACTA"), PEC has established an Identity Theft Red Flags Program to identify possible identity theft~~

# PRIVACY ~~AND CONFIDENTIALITY~~ POLICY

## PEDERNALES ELECTRIC COOPERATIVE, INC.

BOARD ADOPTED: April 20, 2009

BOARD AMENDMENTS: December 14, 2009

risks as it relates to PEC business.

### 2. PEC generally performs the following activities as part of its Identity Theft Red Flags Program:

- Identify relevant identity theft Red Flags in PEC business.
- Detect identity theft Red Flags as they may occur.
- Prevent and mitigate identity theft by responding appropriately to identity theft Red Flag occurrences.
- Review and update the Identity Theft Red Flag Program to ensure it addresses current activities of PEC and related identity theft methods and risks.

### 3. The Chief Executive Officer, or designee, shall oversee the implementation and maintenance of the Identity Theft Red Flags Program and will periodically review the program to determine compliance with the requirements.

### 4. The Chief Executive Officer, or designee, shall annually present to the Board of Directors a status report on the Program, describing the effectiveness of the Identity Theft Red Flags Program, any service provider arrangements, any significant incidents involving identity theft and management's response, and recommendations, if any, for material changes to the Identity Theft Red Flags Program.

## D.E. Use of Personal Information or Confidential Business Information and Disclosure

### 1. PEC generally limits its use and disclosure of Personal Information or Confidential Business Information to the minimum amount of information necessary to conduct PEC business and for the original intended purpose, or another purpose as explicitly authorized by law or Policy. ~~The Cooperative uses and discloses identifiable information about members in defined and responsible ways [in order to carry out its operations]. This section describes how identifiable information about members may be used and disclosed.~~

### 1.2. Personal Information or Confidential Business Information may be used or disclosed by PEC in the following ways:

- ~~Information Records~~ may be ~~shared~~disclosed to ~~affiliates or contractors hired by the Cooperative~~ with PEC's authorized third-party business partners necessary to assist in carrying out PEC business operations, such as providing electric services~~service~~, conduct billing, and executing management functions, including legal, election, audit, and collection services.
- ~~Information Records~~ may also be compiled in aggregate form for PEC Cooperative management activities.
- ~~Member i~~nformation may be disclosed to, and shared with, credit risk assessment companies or commercial and consumer credit reporting agencies for credit-related activities (e.g., credit assessments, the reporting of bad debts, etc.).

### ~~2. Records may also be compiled in aggregate form for Cooperative management activities.~~

# PRIVACY ~~AND CONFIDENTIALITY~~ POLICY

## PEDERNALES ELECTRIC COOPERATIVE, INC.

BOARD ADOPTED: April 20, 2009

BOARD AMENDMENTS: December 14, 2009

- ~~Information~~Records may be disclosed when required by law, such as in response to a search warrant, subpoena or court order.
- ~~Information~~The Cooperative may be used and disclose records for investigations into employee misconduct or for law enforcement investigations related to ~~PEC~~our business.
- ~~Information~~Disclosures may ~~also~~ be provided, made when appropriate, to protect ~~PEC~~the Cooperative's legal rights or during emergencies or otherwise if ~~physical~~ safety is believed to be at risk. ~~The Cooperative will take reasonable steps to limit the scope and consequences of any of these disclosures.~~
- ~~PEC~~ may use a member's Person Information to send email, telephone, or text message communications related to their service or PEC business, unless the member opts-out. To opt-out of these communications, the Member must either contact PEC with their opt-out request, or follow the opt-out instructions sent with the initial communication.
- ~~Information~~Records about a member may be disclosed at the request of, or with the permission of, the ~~M~~member. Records about a ~~M~~member will not be disclosed under ~~the Cooperative~~PEC's Open Records ~~P~~policy without the permission of the ~~M~~member unless required by law.
- ~~Information~~Records about a member may be disclosed, ~~otherwise~~ allowed by law, to a person with a superior property interest in the premises at which service is being provided (e.g., a landlord), in order to prevent waste or harm to those premises.
- ~~PEC~~ ~~M~~membership lists consisting of names, addresses, election district, and unique line information ~~of the Cooperative~~ may be disclosed to a ~~M~~member of the cooperative in connection with ~~PEC~~Cooperative election activities, subject to PEC's Bylaws and theas allowed by the Cooperative's Membership List Policy. ~~The Cooperative may undertake a mailing on behalf of and at the expense of a third party but will not disclose the mailing list to the third party, except as allowed by the Cooperative's Membership List Policy.~~
- The names and mailing addresses of Members who voted in any, or each, director district election for a certain period (the "Voter History List") may be disclosed to a qualified candidate for an election, subject to PEC's Election Policy and Procedures.
- Comments submitted for consideration by the Board during public meetings will be maintained for the official record of the meeting and may be disclosed.
- Records regarding responses to surveys may be published. Published responses will not reveal the Member's name, but instead will be published anonymously.

### 3. Personal Information or Confidential Business Information may not be used or

# **PRIVACY AND CONFIDENTIALITY POLICY**

## **PEDERNALES ELECTRIC COOPERATIVE, INC.**

**BOARD ADOPTED: April 20, 2009**

**BOARD AMENDMENTS: December 14, 2009**

disclosed by PEC in the following manners:

- PEC~~The Cooperative~~ will~~does~~ not sell, rent, loan, or exchange lists of names and mailing addresses of Members, or otherwise release mailing lists or telephone lists of members, except as allowed by PEC's~~the Cooperative's~~ Membership List Policy.

4. PEC strives to be transparent with its practices for the collection, access, use, and disclosure of Personal Information or Confidential Business Information. Any disputes over access, correction, questions about this Policy, or other matters regarding Personal Information or Confidential Business Information may be directed to PEC by going to <https://www.pec.coop/about-us/contact-us/>. The Cooperative will generally resolve any questions or problems that arise regarding the use of Personal Information or Confidential Business Information in accordance with the PEC Tariff and Business Rules as to Member Complaints in Section 300.14.4.

### F. Retaining Personal Information or Confidential Business Information

1. PEC generally retains Personal Information or Confidential Business Information for as long as required to perform the purposes for which the information was collected. PEC may retain the information for longer based on the legal basis for which that information was obtained and/or whether additional legal/regulatory obligations mandate that PEC retain the information. PEC may also retain the Personal Information or Confidential Business Information for the period during which a claim may be made in relation to the Member's dealings with PEC.
2. PEC generally retains Personal Information or Confidential Business Information in accordance with PEC's Record Management Policy, Record Management Procedure, and Records Retention Schedule.

### E. Questions and Disputes

Questions about the policy may be directed to:

**Open Records Request  
Pedernales Electric Cooperative, Inc.  
P.O. Box 1  
Johnson City, Texas 78636-0001**

Any disputes over access, correction, or other matters may also be directed to that office. The Cooperative will do its best to resolve any questions or problems that arise regarding the use of member information.

# PRIVACY ~~AND CONFIDENTIALITY~~ POLICY

## PEDERNALES ELECTRIC COOPERATIVE, INC.

BOARD ADOPTED: April 20, 2009

BOARD AMENDMENTS: December 14, 2009

### 4. Definitions

- A. Confidential Business Information – Information that PEC has designated as confidential or proprietary due to contractual or legal requirements and/or as otherwise necessary for Cooperative business purposes. Confidential Business Information may include, but is not limited to: capital credit/patronage account information, PEC elections/voting information, payment and account information, and/or service history.
- B. Personal Information – This term may vary based on applicable laws and regulations, but may include without limitation information that alone or in conjunction with other information identifies an individual, such as a individual's name, contact information, or date of birth in combination with one or more of the following: (i) Social Security number; (ii) driver's license number; (iii) government-issued identification number; (iv) bank or credit information; (v) biometric information; and/or (vi) information about an individual's health or medical treatment.
- C. Records – Any information, regardless of medium or characteristics, made or received and retained by PEC in observance of legal obligations or in the transaction of PEC business.
- D. Red Flag – A pattern, practice, or specific activity that indicates the possible existence of identity theft.
- E. Red Flag Rules – Federal laws requiring the Federal Trade Commission and banking regulatory agencies to issue regulations to address the threat of identity theft as set forth in the Fair Credit Reporting Act ("FCRA") as amended by the Fair and Accurate Credit Transaction Act ("FACTA"), 15 U.S.C. 1681 et. seq.

### 3-5. Policy Enforcement Responsibility

- ~~A. The board shall ensure that this policy reflects current practices for personal information about members.~~

~~The Chief Executive Officer General Manager shall will ensure that enforce this Ppolicy, is adhered to. Any employee or contractor of the Cooperative who fails to comply with these rules may be subject to Violation of this Policy may result in disciplinary action, up to and including, dismissal/termination.~~