

**EDGECOMBE-MARTIN COUNTY
ELECTRIC MEMBERSHIP CORPORATION**



**SERVICE RULES
AND
REGULATIONS**

October 1, 2012

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MEMBERSHIP AGREEMENT WITH CONSUMER/OWNER

These Service Rules and Regulations, as part of the Service Agreement between Edgecombe-Martin County Electric Membership Corporation and the Member, govern the supply and receiving of electric service. Membership is available to all persons within the service area of the Cooperative on a non-discriminatory basis as set forth in the Bylaws of the Cooperative. This document highlights the main points found in the Service Agreement and does not constitute a contract between the Cooperative and the Member.

As a Member of the Cooperative, you are both a consumer and an owner of the Cooperative. You have the right to vote in selecting the Cooperative's Board of Directors. The Board of Directors sets policies that determine how the Cooperative operates.

We take great pride in providing you with quality service. Quality service is our most important product. We will endeavor to maintain at all times the quality service that you expect and deserve; however, we cannot guarantee continuous and uninterrupted service.

The general summary of your rights to service are as follows:

1. You have the right to electric service if you establish satisfactory credit and provide the Cooperative with necessary and reasonable access to your property for your electric service and that of neighboring property.
2. Any cash deposit you make will be interest bearing and refundable after twenty-four (24) consecutive months of maintaining the status of Member in Good Standing for payment of your electric bill.
3. You have 25 days after the billing date shown on your electric bill to pay your electric bill. After 25 days, the bill will be considered past due.
4. The Cooperative will notify you with the next month's bill that you have at least seven (7) days before your electric service can be disconnected for failure to pay. This notice will explain the reason why the Cooperative plans to disconnect the service, state the date after which the service may be disconnected and explain what you can do to keep the service from being disconnected. The disconnect notice will state the Cooperative's office can be contacted prior to the disconnection date to discuss credit arrangements if you cannot pay the bill.
5. As a Member you can name another person to receive a copy of any disconnect notice. This other person may be able to help you avoid having your electric service disconnected but is not obligated to pay the bills.
6. You have the responsibility to notify the Cooperative in writing if there is someone in your household who is either chronically or seriously ill, disabled or on an electrically operated life support system. In that case, you have the right to special handling of your account should service become subject to disconnection for your failure to pay your electric bills.
7. If the Cooperative plans to disconnect your electric service because you have not paid your electric bills and if you can show that you are unable to pay your account at once, you have the right to make installment payments, with interest accruing, designed to pay your account in full within six months. If you cannot pay your account by installments, the Cooperative cannot disconnect your service (between December 15 and March 15) without notifying the North Carolina Rural Electrification Authority if there is a person 65 years or older or disabled person in your household and if you are eligible and certified to receive energy assistance from the local social services department.
8. The Cooperative will not disconnect electric service after 4:00 p.m. on a Friday or on a weekend or a legal holiday for non-payment.

9. You have the right to have the Cooperative test your electric meter for accuracy and to have a report of the test results given to you. A fee, paid in advance, will be charged for the testing; the fee will be refunded if the meter is found to be outside acceptable accuracy limits.
10. You will be offered a New Member orientation including, but not limited to, explanation of Cooperative principles, bylaws, rates, meter reading, rebates, loans, reporting of power failure, statement of nondiscrimination and conservation practices when you are accepted for membership in the Cooperative. The Cooperative will send you upon request, without charge, a copy of your billing information of the past twelve months.
11. A full and prompt investigation will be made of all service complaints. The recommended order for handling quality-of-service or billing complaints is as follows:
 - a) File a complaint at the local Cooperative office and allow reasonable time for investigation, advice, and action.
 - b) File a complaint with the Cooperative CEO, providing information and results from initial complaint and/or naming local Cooperative personnel who handled the complaint. Allow reasonable time for the CEO to act.
 - c) File a complaint with the North Carolina Rural Utilities Service, 430 North Salisbury Street, Dobbs Building, Raleigh, North Carolina 27611, (919) 733-7513. Allow reasonable time for the Authority to act.
 - d) If the results are still not satisfactory, file a written complaint with the Cooperative's Board of Directors. Allow reasonable time for the Board to act.
12. You may request and have installed by the Cooperative at your expense, types of service that exceed what is normally supplied, provided that they meet the general conditions in the Service Rules and Regulations. If you need such services, please call us.
13. As a member of this Cooperative, you will share in margins called Capital Credits, which are assigned in the Members' names. The refunding of the Capital Credits is at the discretion of the Board of Directors.

Office and Service Hours

The Cooperative's general office is located at 679 N. C. Highway 33 East, Tarboro, N.C.

The office is open for business between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. Routine and regular service work is performed during these office hours, except that no routine or regular service work will be performed on Saturdays, Sundays, and holidays. Service work for unusual conditions or circumstances may be arranged at other times upon request. Emergency service work is performed 24 hours a day, 7 days a week.

Service personnel may be reached by calling 1-(252)-823-2171 or 1-(800)-445-6486.

STATEMENT OF NONDISCRIMINATION

Edgecombe-Martin County Electric Membership Corporation is the recipient of Federal financial assistance from the U.S. Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call toll free (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.
Revised: 3/31/2011

DEFINITIONS

Applicant - A Member or prospective Member who has applied for service.

Area Coverage - The public policy of obligating the Cooperative to provide service, on a nondiscriminatory basis, to all persons and entities desiring electrical service within a service territory assigned to the Cooperative.

Billing Period - The time period between two successive, scheduled meter readings.

Capital Credits - The amounts of the Cooperative's net margins allocated to individual members and returned on a periodic basis as determined by the Board of Directors.

CEO – Chief Executive Officer

Clean and maintained right-of-way - Right-of-way area that is regularly maintained free of logs and brush.

Cooperative - Edgecombe-Martin County Electric Membership Corporation

Conservation - The practice of efficiently and effectively using electric generating and transmitting facilities while avoiding wasteful consumption of electrical energy.

Delinquent bill - A bill for which payment is not received in the office by the close of business on the 25th day from the billing date.

Electric service - The Cooperative's legally imposed duty of supplying to an established point of delivery energy service in the form of an alternating current of frequency at nominal 60 cycles per second and of various nominal voltages.

Foreign Electricity - Any electricity used by the Member that is obtained from a source other than the Cooperative. This includes, but is not limited to, power obtained from other power suppliers and customer-owned generators.

Member - Any person or legal entity who has applied for and been accepted into membership of the Cooperative for the purpose of receiving electric service.

Member in good Standing - Any Member who has fulfilled all obligations of the Member for any and all accounts under the Member's name and who, within the previous twelve months has had 1) not more than two delinquent billings, 2) no involuntary disconnections, 3) not more than two (2) returned checks, or 4) no violation of meter tampering.

Meter Tampering - Diversion of power or the unauthorized alteration or manipulation of the Cooperative's meter, wires, seals, or other apparatus in such a way as to prevent the meter from recording under seal the amount of electric service supplied to the Member. (This is a misdemeanor under law and subject to penalty and effects the status of Member in good standing).

NCEMC - North Carolina Electric Membership Corporation located in Raleigh, North Carolina is the wholesale supplier of electric service for 27 Cooperatives in North Carolina. NCEMC is a Cooperative owned by the 27 Cooperatives in the same manner that the Members receiving retail electric service from the Cooperatives own the Cooperative.

Permanent - Buildings which have permanent foundations and permanent water and sewer facilities.

Person 65 years or older or Disabled - The Cooperative accepts the certification of the local county social services department as applied to the Energy Crisis Assistance Program.

Point of Delivery - The point at which ownership of the electric service is transferred from the seller to the buyer. The Point of Delivery will be, unless otherwise specified, where the Cooperative's wiring system terminates in the delivery of electric service to the Member's wiring system. On overhead services the Point of Delivery will be the weatherhead, and on underground services the point of Delivery will be the line side of the meter base; however, the Member may be required to provide and maintain certain facilities between the Cooperative's facilities and the meter.

Seasonal - Member, facilities or premises which are active, in use or inhabited on a part-time basis, or during only certain months of the year.

Service Agreement - The agreement between the Cooperative and Member consisting of the following:

Service Voltage - The voltage at the point where the electric systems of the supplier and the user are connected (Point of Delivery). The Service Voltage is usually measured at the service meter base or entrance switch and allowable variations are usually expressed on a 120-volt base.

Standard service connection - Unless otherwise stated or agreed by the Cooperative, the standard service connection will be single phase, 60 cycles per second electric service provided to the point of delivery at the Cooperative's standard supply voltages.

GENERAL SERVICE RULES AND REGULATIONS

100 ELECTRIC SERVICE AVAILABILITY

101 Application for Membership

Any person, firm association, corporation or public body (including State and Federal Government desiring electric service from Edgecombe-Martin County Electric Membership Corporation (hereinafter called the "Cooperative") will sign a membership application...

The Service Agreement between The Cooperative and its Member will consist of the following:

Membership card and/or Application, signed by Member and Cooperative (with membership fee and security deposit, if required)

Bylaws

All necessary right-of-way easements,

Current applicable rate schedule and riders,

Load Management Agreement (if applicable)

Current Service Rules and Regulations

A supplemental written contract on a form provided by the Cooperative may be required from any applicant whose estimated demand is 50 kW or more and will be required from any applicant to which extension of service is applicable under paragraph C of Section 105 and from any applicant for non permanent seasonal service to whom extension of service is applicable under Section 104.

The Cooperative's form of Application for Membership must be completed, signed and submitted, accompanied by a membership fee of \$10.00. Applications for joint membership require the signature of each individual. Neither the Membership nor the Service Agreement is transferable or assignable; however, capital credits may be transferred to the Cooperative or to another Member if authorized by the Member. A non-refundable connection charge; as specified in the Schedule of Charges, will be required.

When two or more rate schedules and/or riders are available, the Cooperative will assist in the selection, but it is the Member's right and responsibility to determine which to select. Refer to Appendix for descriptions of the available Rate Schedule and Riders.

102 Security Deposit

A security deposit not exceeding the estimated total of the two highest monthly charges will be collected in advance of service connection or at any subsequent time when the Cooperative determines that a deposit is needed to ensure payment of bills. A Member, in good standing, that terminates service at one location and begins like service at another location within the Cooperative's service area will not be charged a security deposit for the service of the new location.

Former members who re-apply for electric service will not be required to pay a Service Security Deposit solely on the basis of having moved off the lines leaving unpaid bills amounting to less than \$1.00.

Deposits other than those described above will be required by special contract or when, as determined by the Cooperative, such deposit is necessary due to the type of service. Such deposit will be based upon the risk of a business enterprise, the reputation and history of the premises, or the credit rating and the financial dependability of the Member.

As an alternative, the Cooperative will accept: (1) a guarantee payment of your bills up to the amount of deposit from a Member in good standing or (2) satisfactory record with an established credit rating service acceptable to the Cooperative. The Cooperative will endeavor to fully explain all means of establishing credit. (Revised 11/01/08)

The deposit will be refunded automatically with interest beginning to accrue after the first ninety (90) days, after a period of twenty-four (24) consecutive months during which the Member has fulfilled all Member obligations as provided for in the Service Agreement. The interest rate will be determined by the Board of Directors. A deposit may be required at any time if the Member payment record falls below that of a Member in good standing.

If immediate collection of the required service security deposit is not possible, and if disconnection of service for failure to pay a service billing may impose undue hardship or immediate danger to the member or other persons due to illness or some hazardous condition, or when and while the member's household is immediately and directly affected by a death, the Cooperative, at its sole option, may agree to installment payments of the deposit over a reasonable period of time, a guaranty or some other arrangement. (See new 308 Credit)

No checks will be written for less than \$1.00 for the purpose of refunding member deposit balances or credit balances when service has been terminated.

Upon termination of membership, the membership fee and security deposit (if not already refunded) will be refunded or applied against any unpaid balance owed to the Cooperative.

103 Additional Service Connections

A Member may have any number of service connections under one membership. The Member may be obligated to pay, however, a member applying for an additional service connection will sign a written application on a form provided by the Cooperative and pay a \$10.00 non-refundable service connection fee for each such service requested pursuant to the above Section 102, the applicable service security deposit for each additional service and will be obligated to pay for all electric demand and energy used on the premises at the Cooperative's applicable rates. A Member with more than one account is equally responsible for current payment of all accounts, and service may be denied for a new service for failure to pay on another account under the same Member.

104 Area Coverage and Line Facilities

In providing area coverage service, the Cooperative will provide a standard service connection that requires no facilities or services in excess of those normally provided by or acceptable to the Cooperative. The Cooperative may require additional fees for line extensions beyond the limits as provided by Cooperative policy.

When a Member or individual requests that the Cooperative supply electric service in a manner which requires equipment and facilities in excess of those which the Cooperative would normally provide, and the Cooperative finds it practical to do so, such excess equipment and facilities will be provided as excess facilities at the cost of the Member. Costs will be collected through excess facilities charges and/or contributions-in-aid of construction as agreed upon by the Cooperative and the Member.

Upon application for service, the Cooperative, without requirement of any contribution in aid of construction or of any facilities extension deposit and on the basis of its standard applicable rates, will extend its facilities and furnish service within its service area to any permanent non-seasonal residence, or any public school, or any other applicant who requires permanent single-phase service that will be used substantially throughout the year. The Cooperative will on the same basis, extend and furnish service to any other consumer unless, because of the distance of such consumer from the Cooperative's existing facilities, the nature of the load to be served and the experienced or expected incidence of such consumers, such service would impair or unduly jeopardize the financial feasibility of the Cooperative's operations. In that event, the Cooperative will extend and furnish such service on the basis of its standard applicable rates but upon receiving such contributions in aid of construction and/or facilities extension deposit as it shall determine shall be reduced in writing. Any facilities extension deposits thus received by the Cooperative shall be refundable, applicable against billings for the power service, or otherwise creditable to the consumer paying the same - if, as and to the extent the Cooperative determines such may be done consistent with the financial feasibility of the Cooperative's operations.

105 Specific Extension Policy

- A. Construction Service - Temporary service for construction of buildings or other establishments which will receive permanent electric service from the Cooperative, upon completion, will be provided under standard applicable rates and under same conditions as construction to permanent buildings or establishments as specified in Rule 104 - Area Coverage Extension Policy.
- B. Service to rock crushers, asphalt plants, mining operations or non-permanent installations will be furnished under standard applicable rates, upon receipt of contribution in aid of construction and/or facilities extension deposit equal to the estimated labor and other costs in constructing the lines, plus the cost of any unsalvageable materials.
- C. Three-Phase (3Ø) Service Extension - Overhead and Underground
 - 1. Three phase service shall be extended without charge to a member whose premises are located near enough to the Cooperative's existing three-phase facilities for the service extension to be economically feasible.
 - 2. Temporary Three-Phase Service Extensions

Temporary three-phase service shall be extended, provided the member pays in advance, the net investment cost, which shall be non-refundable.

3. Not Economically Feasible Extensions

In cases where member's premises are located so far from the Cooperative's existing three-phase that the service extensions are not economically feasible a member may obtain three-phase service by guaranteeing an annual revenue for a minimum of five years, of not less than twelve (12) times the minimum monthly bill determined in accordance with the Cooperative's existing applicable rate schedule, plus 1.7 percent (1.7%), per month , for a period of five years, of eighty percent (80%) for the net investment costs.

The net investment cost is the sum of (1) depreciated cost of any existing lines that have to be removed, (2) the conversion cost of any one-phase or v-phase lines that have to be converted to three-phase, (3) the removal cost of all lines removed, less salvaged materials returned to stock, and (4) the cost of new lines constructed, including interest, and excluding transformer costs.

4. Other Requirements

- a. In order to secure against losses, the Cooperative shall require the member to make pre-payment of deposit or contributions as determined as it deems necessary to accomplish this purpose.
- b. The member making the request for the service extension must also be the landowner.
- c. The member will furnish , without cost to the Cooperative, all necessary easements.

5. Contracts Required

Written contracts will be required for all three-phase service extensions required except those that are located near enough to the Cooperative's existing three-phase facilities to be economically feasible.

106 Relocating a Line at Member's Request

A. Relocating a line at member's request for member's sole satisfaction:

1. When distribution power line is relocated from woods or fields to the side of the road at the request of a member for said member's sole satisfaction the member will pay 90% and the Cooperative 10% of the relocation costs.
2. The member's estimated share of the relocation cost must be paid to the Cooperative prior to commencing of any work. Upon completion of the work, and overpayment will be refunded to the member by the Cooperative, and any underpayment will be made by the member within ten (10) days of receipt of an itemized billing from the Cooperative.

B. Relocating a line at member's request for use of center pivot or lateral irrigation systems:

1. When a distribution power line is relocated to clear a field or use of center pivot or lateral overhead electric irrigation system, the member will pay 50% and the Cooperative 50% of the relocation costs. The relocation cost is the sum of (1) the depreciated value of the line to be removed, (2) the removal costs of the line, less salvaged materials returned to stock, and (3) the cost of the new line construction. Each request for a line relocation involving irrigation facilities is subject to the following requirements.
 - a. The member making the request must also be the landowner.
 - b. Must be approved by the Cooperative's Board of Directors prior to commencing of any work.
 - c. The member will furnish, without cost to the Cooperative, all necessary easements.
 - d. The member's estimated share of the relocation cost must be paid to the Cooperative prior to commencing of any work. Upon completion of the work any overpayment will be refunded to the member by the Cooperative, and any underpayment will be made by the member within ten (10) days of receipt of an itemized billing from the Cooperative.
 - e. In case a line is relocated for center pivot or lateral irrigation purposes, and the irrigation facilities are not installed within two years from the date of the agreement, the member will pay in a lump sum an additional forty percent (40%) of the cost of relocating the line.
 - f. In instances where two or more members apply for the line relocation at the same time, and if the relocation of one line reduces the cost of relocating the other line, the amount by which the cost is reduced will be credited against the amount to be paid by the member responsible for the reduction in cost.

C. Contracts Required

Written contracts will be required for all line relocations prior to commencing of any work.

107 Metering Facilities

The Cooperative normally provides and installs the meter and requires the Member to provide for an approved meter base and certain connection facilities to the meter base. Any meter installed at the request of the Member that would not have been installed as standard equipment will be considered an excess facility. The Cooperative will install only those meters which are located on the outside of buildings and, the Cooperative will require any member who already has, or who in the future might, enclose a meter by constructing an addition to an existing building to change the wiring so as to put the meter back on the outside of the building at the member's expense.

Both flush mounted and surface mounted meter bases may be installed on facilities served by this Cooperative provided that in every instance where a flush mounted meter base is installed, the meter base cover must be clean and clear to the extent that the interior of the meter base is accessible to Cooperative employees. No service will be connected until this condition has been met by the applicant.

Members applying for more than one class of service on the same premises will arrange their wiring so that each class of service can be metered separately. Only one service drop will be installed to serve a building. Two houses used as family residences shall not be served through one meter. Regardless of ownership of the facilities, the Cooperative will have the right, at its option and its own expense, to place demand meters, voltmeters, locking devices, or other instruments on the premises of the Member for the purpose of monitoring and maintaining the Member's service.

All farms or rural residents having more than one major building to be supplied with electricity, should be served through yard pole meter loop. The Cooperative will furnish the yard pole, located in accordance with sound engineering practices, and will extend and attach service conductors to the line side of the yard pole. All service conductors and hardware on the load side of the yard pole will be furnished and installed by the member.

108 Security Lights

Members requesting the installation of a security light will pay a \$30 deposit which will be refunded after two consecutive years of usage; provided, however, that if service is terminated before the expiration of two years, the deposit will be applied as a contribution in aid of construction and the member's unpaid bills.

A fee of \$10.00 will be charged for each reconnection of security light, excluding a new member or member applying for service at a new location for the first time with an existing disconnected security light. A fee of \$10 will be charged for each disconnection of security light that has not been in continuous service for at least five (5) years.

The Cooperative will provide security light service as follows:

1. To individual members who request it upon receipt of their application for same accompanied with payment of the required deposit.
2. Upon receipt of an application for same by a subdivision developer, or a permanent resident/homeowner who lives in the subdivision and who meets the following conditions:
 - A. Executes a two-year contract with the Cooperative.
 - B. Accepts full responsibility for paying the monthly charges for the security lights covered by contract.
 - C. Prepay a deposit of \$30 for each security light requested to be installed. If the lights are used for two consecutive years, and due and timely payment of bills is made, the deposit will be refunded; otherwise, it will be forfeited to the Cooperative.
 - D. Monthly billing charges will be computed in accordance with Schedule G. - Security Lights.

200 **CONDITIONS OF SERVICE**

201 General Conditions

The Cooperative will supply electrical service to the Member after all of the following conditions are met:

- A. The Member is in compliance with all aspects of the Service Agreement and agrees to be bound by the Cooperative's Articles of Incorporation and Bylaws.

- B. The Member agrees to furnish without cost to the Cooperative all necessary easements and rights-of-way. Each member shall, upon being requested so to do by the Cooperative execute and deliver to the Cooperative grants of easement or right-of-way over, on, and under such lands owned by the member; in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service to him or other members, for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

The Cooperative shall strive to obtain right-of-way easements for all new lines constructed over, on or under land that is not already being served by this Cooperative.

The Cooperative may obtain right-of-way easements in other instances as required to protect the interest of the Cooperative.

Easements may be restricted by the landowner to the route of the lien required to be constructed for the service extension when requested.

All easements will be probated and recorded.

- C. The Member agrees to have all streets, alleys, and driveway entrances graded to within six (6) inches of final grade and have lot lines established before installation or extension of electrical service begins.

- D. The Member agrees that the Cooperative will have the right of access to Members' premises at all times for the purpose of reading meters, testing, repairing, removing, maintaining or exchanging any or all equipment and facilities which are the property of the Cooperative, or when on any other business between the Cooperative and the Member. In cases where it is reasonably necessary and cost effective, the Cooperative may use, without payment to the Member, the Member's premises for accessing neighboring property served by the Cooperative.

- E. Any previous outstanding debts owed by the Member, or any other person in the Member's household, to the Cooperative have been paid.

- F. Provision of service in no way conflicts with public authorities.

- G. All Member wiring and equipment has met the requirements of the National Electrical Code and of the Cooperative, in addition to the specifications of any local authorities having jurisdiction. Each member shall cause all premises receiving electric service pursuant to the membership to remain wired in accordance with the specifications of the North Carolina Fire Insurance Underwriters Association and of the Cooperative. Proof of inspections required to meet local and state governmental standards of the premises wiring has been made available by the Member.

- H. The Member has not connected, and agrees not to connect in the future, any motors or other equipment which are not suitable for operation with the character of the service supplied by the Cooperative or which adversely affect the Cooperative's equipment or the service to other Members.
- I. The Member agrees to be responsible for any additional facilities, protective devices, or corrective equipment necessary to provide adequate service or prevent interference with service to the Cooperative's other Members. Such loads include, but are not limited to, those requiring excessive capacity because of large momentary current demands or requiring close voltage regulations, such as welders, X-ray machines, shovel loads, or motor starting across the line. In the event the Cooperative provides such additional facilities, protective devices or corrective equipment, the additional cost will be borne by the member in addition to the applicable rate schedule. The additional cost will include the expenses of installation, operation, maintenance and amortization of required facilities.
- J. The Member agrees to be responsible for notifying the Cooperative of any additions to or changes in the Member's equipment which might affect the quality of service or might increase the Member's demand.
- K. The Members agrees that when multi-phase service is furnished, the Member will at all times maintain a reasonable balance of load between the phases. Three-phase motors with high-starting or fluctuating currents must be installed in accordance with the Cooperative's Rate Schedule and Riders and Rules and Regulations.
- L. The Member agrees to promptly notify the Cooperative in writing if there is someone in their household who is either chronically or seriously ill, disabled or on an electrically operated life support system and if the Member desires special handling of the account in the event of failure to pay electric bills.
- M. The Member agrees to promptly notify the Cooperative with proper certification of special handling of the Member's account with respect to the Cold Weather Disconnection provisions in Section 402.

202 Standard Supply Voltages

The Cooperative maintains one system of alternating current at a standard frequency of 60 cycles per second that is supplied throughout its system and within prudent utility practices. The Cooperative will determine the voltage, number of phases, and type of metering which will be supplied depending upon the Cooperative's facilities available and upon the character, size and of the load to be served. The Member will consult the Cooperative before proceeding with the purchase or installation or wiring of equipment. To avoid misunderstanding, this information should be in writing from both the Member and the Cooperative.

The Service voltages described below are nominal, and variations permitted will be no less than 114 volts or more than 126 volts on a 120-volt basis.

Single Phase, 2 Wire	120 Volts
Single Phase, 3 Wire,	120/240 Volts
Three Phase,	120/208 Volts
Three Phase,	120/240 Volts
Three Phase,	240/480 Volts
Three Phase,	277/480 Volts
Single Phase, 2 Wire	7200 Volts
Three Phase, 4 Wire	7200/12470 Volts

It will not be considered a violation of this voltage standard when voltages outside of the prescribed limits are caused by any of the following:

Action of the elements,
Service interruptions,
Temporary separation of parts of the system from the main system,
Infrequent fluctuations of short duration,
Voltage control for load management purpose,
Other causes beyond the control of the Cooperative,
Addition of Member equipment without proper notification to the Cooperative,
Emergency operations, or
The operation of the Member's equipment

Non Standard Service - Member shall pay the cost of any special installation necessary to meet his particular requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.

203 Service Interruptions

The Cooperative does not guarantee continuous and uninterrupted service and will not be liable for loss or damage to any Member's equipment, belongings, real property, business losses or consequential damages caused by any failure to supply electric service or by any interruption or reversal of the supply of electric service, if such is due to any cause beyond the reasonable control of the Cooperative.

Such causes include, but are not limited to:

- A. An emergency action due to an adverse condition or disturbance on the system of the Cooperative, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electric service to some consumers or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system.
- B. An Act of God, or the public enemy, or insurrection, riot, civil disorder, fire, or earthquake, or an order from Federal, State, Municipal, County or other public authority.

- C. Making necessary adjustments to, changes in, or repairs on lines, substations, and facilities, and in cases where, in the Cooperative's opinion, the continuance of service to consumers' premises would endanger persons or property.

The Member will notify the Cooperative immediately of any defect in service or of any trouble or irregularity to the electric supply.

Maintenance work on lines or equipment requiring service interruption will be done, as far as practicable, at a time that will cause the least inconvenience to the Members. The Members to be affected by such planned interruptions will be notified in advance, if practicable.

204 Right-of-Way Maintenance

The Member will grant to the Cooperative, and the Cooperative will maintain right-of-way according to its specifications with the right to cut, trim and control the growth of trees and shrubbery located within the right-of-way or that may interfere with or threaten to endanger the operation or maintenance of the Cooperative's line or system. When trimming right-of-way, the Cooperative will remove debris at its expense from "clean and maintained" areas; that is, an area which is regularly maintained free of logs and brush, but not the removal of stumps. In other areas, right-of-way debris will be left in the right-of-way limit.

Each member will grant the Cooperative the right, in rendering service to members, to install poles, lines, transformers or other equipment on member's property, and to locate delivery point and meter thereon, as the Cooperative decides this should be done, considering among other things economics of construction, adequacy of electric service and aesthetic appearance.

205 Power Factor

The Member will at all times maintain a power factor at the point of delivery as close to one hundred percent (100%) as practicable. Where the overall power factor of the Member's load is less than 90 percent (90%) lagging, the Cooperative may require the Member to install at the Member's own expense equipment to correct the power factor, and may adjust the Member's billing demand as specified by the applicable rate schedule. The Cooperative reserves the right to measure the power factor at any time.

206 Foreign Electricity, Parallel Service, and Standby Generation

The Member will not use the Cooperative's electric service in parallel with other electric service, nor will other electric service be introduced on the premises of the Member for use in conjunction with or as a supplement to the Cooperative's electric service, without the prior written consent of the Cooperative.

Where approved standby and/or supplemental on-site generation is provided by the Member, parallel operation of the Member's generating equipment with the Cooperative's system will not be allowed, without express permission of the Cooperative. The Member will install all protective devices specified in the National Electric Code, or the National Electric Safety Code, as applicable. A double throw switch must be used to prevent possible injury to the Cooperative's personnel and equipment by making it impossible for power to feed back into the main line from the emergency generator. The responsibility of doing so will be that of the member, and any liability resulting from not doing the above will be that of the member.

207 Qualifying Facilities and Independent Power Producers

The Cooperative is required to comply with the Public Utility Regulatory Policies Act of 1978 (PURPA), along with rules and regulations promulgated under PURPA as they relate to qualifying facilities (QF). Any owner/operator of a QF desiring to connect with and sell electric demand and energy to the Cooperative shall notify the Cooperative. The Cooperative will provide the owner/operator with its current rates as specified in the attached Current Applicable Rate Schedule and Riders.

Any contract for the sale of electric demand and energy from a QF will be made between the owner/operator and the Cooperative or NCEMC. The Cooperative will assist the owner/operator in making initial contact with NCEMC.

Also through a similar prior arrangement with NCEMC, all contracts for the sale of electric demand and energy from an independent power producer (IPP) will be made between the owner/operator and NCEMC. The Cooperative will assist the owner/operator in making initial contact with NCEMC.

208 Resale of Power

Members shall not directly nor indirectly resell electric energy for any purpose. Members shall not divert electric energy to other premises or use it for purposes other than those permitted by the bylaws, rules and regulations of the Cooperative, and by state or local laws, rules and codes.

209 Line and Facilities Conversion and Relocation

Upon request, the Cooperative will, consistent with prudent utility practice, relocate lines, poles, and facilities. The Member will be required to pay in advance the non-betterment cost of relocating the facilities when such relocation will be consistent with sound engineering practices and principles. Any additional right-of-way necessary for relocation will be the responsibility of the Member to obtain.

At a Member's request, the Cooperative may convert existing adequate overhead facilities to underground, provided that the Member pays the Cooperative for the cost incurred.

Under most circumstances, the Cooperative will, upon request, raise or lower lines to afford a safe passage for buildings or equipment being moved. Parties making such requests will be required to pay the cost of the labor and any material used, plus an appropriate charge for transportation equipment. Also, such parties will be required to make a deposit, in advance, of the estimated cost to the Cooperative.

210 Energy Management Assistance

The Cooperative will, at no charge, investigate, render advice and lend assistance needed for all reasonable requests of the Member pertaining to the Member's account, usage, bill load management equipment, and energy conservation measures.

211 Service Cable Use in Wiring Service Entrances

The Cooperative authorizes the use of service cable in the wiring of service entrances of buildings served by the Cooperative, provided the service cable is installed in a manner that meets or exceeds the requirements of both the National Electric Code and the towns and counties in which the buildings are located.

212 Service Requirements on Bulk Barns

Time delay or non-automatic restarters are required on all bulk barns as a prerequisite for service from this cooperative.

213 Disconnect Switch Requirements

A disconnect switch is required to be installed by the member on every service entrance installed on a pole owned by the Cooperative or member.

214 Electric Water Heaters

The Cooperative will require all water heaters installed to conform to the standards of the National Electric Manufacturers Association, to bear the label of Underwriters Laboratories, Inc., and to conform to state and local codes.

300 Billing

301 Responsibility to Read Meter

Meters will be read and bills rendered by the Cooperative. When a meter cannot be read on or about the scheduled date, the meter reading and corresponding use for the period will be estimated based on prior usage. Accounts billed on an estimated basis will be adjusted as necessary when actual readings are obtained. An explanation of the meter-reading process can be obtained from the Cooperative.

302 Due Dates and Failure to Pay

Bills are due and payable upon receipt and are considered delinquent if payment is not received in the office by the close of business on the 25th day from the billing date. Members whose bills become delinquent will be charged a late payment charge not to exceed the greater of one and a half percent (1.5%) or \$5 per month. If the bill is still delinquent at the time the next month's bill is prepared, the next month's bill will show the previous month's account balance with a disconnect notice. This notice will explain the reason why the Cooperative plans to disconnect the service, state the date after which the service may be disconnected and explain what you can do to keep the service from being disconnected. The disconnect notice will state that the Cooperative's office can be contacted prior to the disconnection date to discuss credit arrangements if you cannot pay the bill.

If after seven (7) days from the mailing of the disconnect notice, the account remains delinquent, a supervisor within the Cooperative will review the account to determine if the Member has taken the necessary action to avoid disconnection.

The Cooperative may either refer the account to a collection agency at the cost to the Member or dispatch field personnel to read the meter and make the effort to notify the Member, receive payment, make satisfactory credit arrangements, agree to defer action because of death or illness or disconnect. Required payment of all past due portions of the delinquent bill plus a field collection fee, as specified in the Schedule of Charges, or the service will be disconnected without further notice.

Recovery of Collection Costs - Any costs legal or other - incurred by the Cooperative in the collection of delinquent electric bills or other accounts receivable from a patron will be added to the patron's accounts as a precondition for the reconnection of the electric service prior to refunding the membership fee, meter deposit or capital credits.

Members may request in writing that a copy of any disconnect notices be sent to a specified third party.

Upon a member's failure to pay a service bill before the Final Payment Date, the Cooperative will proceed promptly to collect it, together with any arrearages that may have accrued to date of the field trip. If deemed necessary for the Cooperative's financial security, it may also include collection for any unbilled service to the date of the field trip. The Cooperative may also require an initial, or an increase in an existing security deposit under its rule on Service Security Deposits. To cover at least a portion of the cost of such field trip, the member shall also pay an additional charge of \$40.00. If, upon such field trip, the member cannot be contacted or fails to pay all amounts then owing, including, if required, an initial or an increase in an existing service security deposit the member's service will then be disconnected; unless the serviceman reports circumstances covered by one or more Reasons for Deviation from Established Disconnection Rule and receives approval not to disconnect from a supervisor. In such event the serviceman will leave on the premise a notice substantially in the form attached hereto as Appendix 4 which will set forth the arrangement that has been agreed to for payment of what is owed plus a \$5 payment agreement fee. If the member fails to fulfill the arrangement for such payment, his service will be forthwith disconnected and an additional charge of \$40 shall become due and owing for such field trip; and upon such disconnection the serviceman will deliver to the member or leave at his premises a second notice substantially in the form attached hereto as Appendix 5.

303 Multiple Services

If a Member has more than one account, the Cooperative reserves the right to apply any payment made by the Member to any account owed to the Cooperative by the Member. All funds received will first be applied to any interest and penalty on the delinquent account(s) with the remaining funds to be applied against the electric service bill.

304 Bill in Dispute

Failure to receive a bill does not exempt a Member from payment. A duplicate bill may be obtained from the Cooperative. Neither a dispute concerning the amount of a bill or a claim or demand by the Member against the Cooperative will alter the normal requirements for payment. See Complaint Procedure in Section 503 for resolution of disputed bills.

305 Method of Payment

Payment may be made:

- in person,
- in after-hours deposit facility,
- by mail (check or money order only),
- by bank draft,
- by telephone with VISA or MasterCard (credit /debit)*
- online (www.ememc.com) *includes a convenience charge by third party for handling the transaction when applicable

A budget billing procedure is offered by the Cooperative for Members who request equal payments throughout the year by completing and signing the Cooperative's Budget Billing Agreement (See Appendix 3).

306 Returned Checks/Credit Card Charge Backs

Any Member whose check or credit card for payment of service is returned for insufficient funds will be notified immediately and a returned check or credit card charge back fee will be added to the Member's account. Such charge will be up to the maximum allowed by North Carolina law (GS 25-3-572). The returned check or credit card charge back fee and account will be considered to be delinquent, and the delinquent billing handled in accordance with Section 302 above. If the Member is not in good standing and payment is not made within three days after the date of notification, service will be disconnected. If the Cooperative receives more than three (3) such checks or credit card charge backs from a Member in the previous 12 month period, the Cooperative may refuse to accept further checks or credit card charges from that Member.

The Cooperative's bank has agreed to, when possible, inform the Cooperative electronically the first time a member's check is returned unpaid by another bank.

If the check is returned to the Cooperative's bank a second time, the bank does not call the Cooperative. The bank debits the Cooperative's account with the amount of the check and electronically returns the check to the Cooperative.

Immediately upon receipt of such checks, a final disconnect notice will be left at the residence for the member and request payment in cash. Electric service to the member will be disconnected if cash payment is not made.

A \$25.00 fee will be added to the amount of each check or credit card charge that is returned by the bank or credit card services. If the member's service is disconnected for non-payment of the check or credit card charge back, a \$40 reconnection fee, the \$25 return fee, the \$40.00 tag notification fee, the \$40.00 disconnection fee, and the amount of the check must be paid in cash before the service will be reconnected.

307 Correction for Errors

Billing Adjustments - Adjustments to the electric bill due to inaccurate metering equipment, errors in meter reading or billing will be made promptly. The Cooperative will issue immediate credit when it is in error and the Member will be expected to pay any appropriate additional charges as billed. Payments to the Cooperative may be made in installments over the same period of time during which the error occurred.

If the interval during which the error occurred cannot be determined, then the billing adjustment will be based on an appropriate estimation of usage and/or demand for a given period of time. For Members having a demand of less than 50 kW, that period will not exceed 150 days. For Members having demand more than 50 kW, that period will not exceed 12 months.

When a meter stops or fails to register correctly, or if the calibration is found to be in error of more than plus or minus two percent (2%) of one hundred percent (100%), the Member's account will be adjusted accordingly. Meter accuracy calculations are derived using the following equation; $(\text{Power Factor} + \text{Light Load Test Result} + \text{Full Load Test Result})/3 = \text{Weighted Average}$. The Cooperative will periodically test and inspect its meters. (Revised 02/01/08)

A Member may request in writing that a meter be tested. A report will be supplied to the Member within a reasonable time after the completion of the test. A meter test charge, as specified in the Schedule of Charges, will be imposed and refunded if the meter is found to be in error in excess of plus or minus two percent (2%).

If malfunctioning member equipment causes an extraordinary kilowatt-hour usage, the Cooperative may adjust the member's billing so that usage attributed to the equipment malfunction is billed at the Cooperative's average cost of wholesale power. The member must furnish evidence that the malfunction occurred and that the malfunction has been corrected. This adjustment may not exceed two billing periods for any malfunction event.

308 Credit

At the discretion of the Cooperative, credit may be extended to Members in accordance with the following standards:

- A. When it is determined that enforcement of the policy will constitute an undue hardship in relation to the amount of the delinquent bill, and that extension of credit for a fixed time, or arrangement for installment payment of the bill will not unduly impair the Cooperative's ability to effectuate final collection of the bill; or
- B. When the Member involved establishes to the satisfaction of the Cooperative that the Member's failure to pay the bill has resulted from a mistake on the Cooperative's part of a mistake for which the Member was not responsible; or
- C. When the involved bill is a final bill covering service to a farm, home, or other residential structure and the main building thereof has been destroyed by fire not caused by act of arson on the part of the Member or the Member's family; or
- D. When disconnection of service might impose immediate danger to the Member or other persons due to illness or some hazardous condition, or when the household is immediately and directly affected by a death.

309 Unavoidable Cessation of Service by Member

In the event the Member's premises is destroyed by fire, natural disaster, or other casualty, or the operation of its plant is shut down because of strike, fire, natural disaster, or other cause beyond the Member's control, making a complete cessation of service, then upon written notice by the Member to the Cooperative within thirty (30) days thereafter, advising that the Member intends to resume service as soon as possible, any minimum charge, or guarantee occurring after such cessation of service for which the Member may be liable will be waived during the period of such cessation, and the contract will be extended for a corresponding period. The Member's obligation to pay for charges incurred before cessation will be postponed with interest. Otherwise, the agreement for service will immediately terminate.

310 Billing of Wholesale Power Cost Adjustment (Schedule WPCA)

In order to reduce the wide fluctuations in the monthly billing to members of the Wholesale Power Cost Adjustment (WPCA) the Cooperative will use an average month WPCA factor and adjust it periodically as required to keep the amount billed to members in line with the fuel adjustment charge expense incurred by the Cooperative.

311 Collection and Disconnection Rule

Notwithstanding any other provisions of Section 403 and extension of time for paying the electric bill may be granted retiree members whose chief means of support is a monthly Social Security check, provided the member requests such extension and is able to satisfy the Cooperative then they are entitled to this privilege.

312 Capital Credit Payments To Estates Against Which There are Preferred Claims

Upon approval of the Board of Directors to retire capital credits due the estate of a deceased patron, such funds shall be remitted to the duly qualified legal representative of such estate or to the Clerk of Superior Court of the county of the deceased residence; provided, however, in cases where no legal representatives are appointed and said deceased patron leaves a surviving spouse who produces an unpaid funeral bill or other preferred claim against said estate, such payment may, in the discretion of the Chief Executive Officer, be paid by check issued jointly to the surviving spouse and such preferred claimant.

313 Drafts

The Cooperative will, when requested to do so by a member, draw a draft in payment of the electric bills.

The member will furnish the Cooperative with a written authorization to draft the checking account. The authorization will include the name of the member's bank and the account numbers to be paid by the draft. The member will, also, instruct the bank to honor drafts drawn by the Cooperative on the account.

The Cooperative will deposit the drafts and mail to the member a receipted bill for each bill paid by draft. Each bill will be marked "Paid by Draft."

Drafts returned unpaid by the bank will be processed in the same manner as checks returned unpaid by the bank. The same fees will also apply.

Drafts will be deposited not more than five (5) days prior to the final payment date of the bills they pay.

314 Payment Agreements

Any Member may receive two (2) payment agreements within a 12 month period. The Member must call or come into the office before the cut-off date that is printed on the disconnect notice to make arrangements. If eligible, the payment agreement will allow the member to pay the amount owed within ten (10) days after the cut-off date. A \$5.00 fee will be charged for all payment agreements in addition to the late payment fee and any field trip fees applicable.

400 DISCONNECTION AND RECONNECTION

401 Disconnection of Service by Cooperative

Service may be disconnected after notice has been given and reasonable time to comply has been allowed for noncompliance with the Bylaws of the Cooperative, the Service Agreement with the Cooperative, or any applicable Federal, State or other local laws, regulations or codes, including, but not limited to, nonpayment and refusal of access to the Cooperative's meters or other facilities on the premises. The discontinuance of service by the Cooperative for any cause as stated in this Rule does not release the member from his obligation to the Cooperative for the payment of any amount then owing.

The Cooperative may disconnect service immediately and without notice for the following reasons:

- A. Discovery of meter or load management equipment tampering or diversion of current.
- B. Use of power for unlawful, unauthorized or fraudulent reasons.
- C. By order of public authority.
- D. Discovery of an electrical condition determined by the Cooperative to be potentially dangerous and eminently hazardous to life or property of the Cooperative or the public.
- E. For repairs, emergency operations, unavoidable shortages, or interruptions in the Cooperative's supply source.
- F. Introduction of foreign electricity on the premises without prior written consent.

For such reconnection and disconnection, the member shall pay the same field trip charges as otherwise provided for under this Rule.

Waiver of default - Any delay or omission on the part of the Cooperative to exercise its right to discontinue service, or the acceptance of a part of any amount due, will not be deemed a waiver by the Cooperative of such right if the Member continues to be or again becomes non-compliant with the Service Agreement.

402 Cold Weather Disconnection

With respect to bills rendered between December 15 and March 15 of every year and in the spirit of the policy considerations expressed by Congress in the Public Utility Regulatory Policies Act (PURPA) of 1978, the notice of proposed termination shall also contain a statement that no termination shall take place without the express approval of the Cooperative's Board of Directors and notification of the North Carolina Rural Utilities Service if the Member can establish all of the following:

- A. That a member of the Member's household is either disabled or 65 years of age or older.
- B. That the Member is unable to pay for such service in full.
- C. That the household is certified by the local social service office which administers the Energy Crisis Assistance Program or other similar programs to be eligible (whether funds are then available or not) to receive assistance under such programs.

The Cooperative may continue to charge interest on accounts that are subject to this provision. As provided in Section 201, the Member must provide advance notification and certification of meeting the requirements for special handling of accounts.

403 Reconnection of Service by Cooperative

Subsequent to the disconnection of electric service by the Cooperative for reasons listed in the previous section, service may be reconnected under the following conditions:

- A. The conditions causing the disconnection are corrected.
- B. Payment has been made for the cost of repair or replacement of the Cooperative's meter or any other properties, if tampered with or otherwise damaged or destroyed.
- C. Where the service has been discontinued for non-payment of a bill, meter tampering, unauthorized or illegal use of power, the Cooperative will have the right to refuse service to the same Member or to any other applicant who is a member of the Member's household until the infraction is corrected, credit is reestablished by the Member and all applicable accounts have been paid.
- D. The Member has agreed to comply with reasonable requirements to protect the Cooperative against further infractions.
- E. A reconnection fee and/or any other applicable service charges and security deposits, as specified in the Schedule of Charges, have been paid. Whenever service has been disconnected pursuant to this Rule and is thereafter reconnected for the same member, the member shall first pay a reconnection charge of \$40, if reconnection takes place before 5:00 p.m. on normal business days, or of \$75, if reconnection takes place at any time after 5:00 p.m. on normal work days or during non-normal business hours. The reconnection charges are in addition to the tag and disconnect charges. Unless request for reconnection are received before 5:00 p.m., the reconnection might not be made during normal business hours.

For such reconnection and disconnection, the member shall pay the same field trip charges as otherwise provided for under this Rule.

Notwithstanding any other provisions of Section 403 a \$40 reconnection and a \$40 disconnection fee will be charged to all members who request a reconnection and a disconnection of service within a 30 day period, and a \$40 reconnection fee and \$40 collection fee to all members who move back on the Cooperative's lines and request electric service after having moved off the system leaving unpaid electric bills.

404 Termination of Service by Member

For termination of service, the Member should give a minimum of one working day's notice prior to requested disconnection unless a written contract specifies otherwise.

A member may voluntarily withdraw in good standing from membership under both of the following conditions:

- A. Payment of any and all amounts due the Cooperative, and cessation of any noncompliance with the membership obligations, all as of the effective date of withdrawal; and either removal to other premises not furnished service by the Cooperative, or ceasing to use any central station electric service whatever at any of the premises to which such service has been furnished by the Cooperative pursuant to the service agreement; and
- B. Upon such withdrawal, the Member will receive a refund of the balance of the membership fee and of any service security deposit held by the Cooperative after being applied to the Member's final bill.

405 Removal of Idle Services

Idle services or lines may be retired and removed upon statement from the owner that the premises formerly served have been dismantled and removed, and that there is no intention to rebuild a building at that site. In the event of new construction of a house or facilities that would require electric service the owner of such, if he is the same that stated that no additional service would be required, will pay the cost of the construction to the new premises.

406 Security Light Relocations: Removals

A security light is to be initially installed by the Cooperative where the member requests the Cooperative to install it.

A security light will be relocated by the Cooperative at no cost to the member when necessary in order to allow the member to enlarge his house or other physical facilities.

The expense of all other security light relocations, whether requested by the original applicant or a subsequent occupant of the premises, will be paid in its entirety by the member requesting the relocation.

If the Cooperative removes a security light at the member's request and subsequently is asked to reinstall the light by the same member within two years of its removal, the Cooperative will do so upon the member agreeing to pay full cost of the installation.

Security lights repetitively damaged by external means, other than by acts of nature, will be removed at the option of the Cooperative, unless the member agrees to pay the full cost for repair.

The Cooperative will not sell to a member a security light in place, or the pole on which a security light is, or was mounted upon Chief Executive Officer's approval.

500 COOPERATIVE AND MEMBER OBLIGATIONS

501 Approval and Cooperative's Board Authority

The Cooperative's Board of Directors is the governing body and is the final authority for making and revising these Service Rules and Regulations. These Rules and Regulations and Rate Schedules are on file in the Cooperative's headquarters office, and such filing and publishing will constitute official notice to all Members on such changes. Failure of the Cooperative to enforce any of the terms of these Rules and Regulations will not be deemed as a waiver of its right to do so.

In case of conflict between any provision of the Bylaws and these Service Rules and Regulations, the Bylaws will prevail. In case of conflict between any provision of a Rate Schedule or Rider and of these Service Rules and Regulations, the Rate Schedule or the Rider will prevail.

These Rules and Regulations and Rate Schedules and any changes will be filed with the North Carolina Rural Utilities Service and, additionally, pursuant to North Carolina law (GS-62-138(f)), with the North Carolina Utilities Commission.

502 Responsibility of Member and Cooperative

Electric service is supplied by the Cooperative and purchased by the Member upon the express condition that after it passes the Point of Delivery it becomes the property of the Member to be used only as provided in the Service Agreement. The Cooperative will not be liable for loss or damage to any person, property, business losses or consequential damages whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electric service after it passes the Point of Delivery or for any loss or damage resulting from the presence, character, or condition of the wires or equipment of the Member or for the inspection or repair of the wires or equipment of the Member. Each member shall be responsible for, and shall indemnify the Cooperative and any other person against injury, loss or damage resulting from any defect in or improper use or maintenance of, such premises and all wiring and apparatus connected thereto or used thereon.

It is understood and agreed that the Cooperative is merely a supplier of electric service, and the Cooperative will not be responsible for any damage or injury to the buildings, motors, apparatus or other property of the Member due to lightning, defects in wiring or other electrical installations, defective equipment or other cause not due to the negligence of the Cooperative. The Cooperative will not be in any way responsible for the transmission, use or control of the electric service beyond the delivery point, except as it might apply to the use of load management programs.

In maintaining the right-of-way, the Cooperative will not be liable for damage to trees, shrubs, lawns, fences, sidewalks or other obstructions incident to the installation, maintenance or replacement of facilities, unless caused by its own negligence.

All meters, service connections and other equipment furnished by the Cooperative will be, and will remain, the property of the Cooperative. The Member will not interfere with, or alter, the Cooperative's meters, seals, or other property, or permit the same to be done by others than the Cooperative's authorized agent or employee. Damage caused or permitted by the Member to the Cooperative's property will be paid for by the Member. The cost shall include cost of labor, materials, overhead, transportation, and any other expense necessary to repair the property of the Cooperative.

No person or organization will install or attach any wire, sign(s) or other material or equipment to any of the Cooperative's poles, conductors or other fixtures, except without express written consent of the Cooperative. The Cooperative will not authorize the installation of a service entrance on a primary pole under any circumstances.

To the extent that Members may require electric service at a level of less variation allowed under the standard service, any additional equipment required by the Member to ensure the level of power quality will be at the Member's expense. The Cooperative will assist the Member in the technical development of the power quality electric service.

503

Complaint Procedure

A full and prompt investigation will be made of all service complaints. The recommended order for handling quality-of-service or rate complaints is as follows:

- A. File a complaint at the local Cooperative office and allow reasonable time for investigation, advise, and action. If the results are not satisfactory, then:
- B. File a complaint with the Cooperative CEO, providing information and results from the initial complaint and/or naming local Cooperative personnel who handled the complaint. Allow reasonable time for the CEO to act. If the results are still not satisfactory, then:
- C. File a complaint with the North Carolina Rural Utilities Service in Raleigh, North Carolina, 430 North Salisbury Street, Dobbs Building, Raleigh, North Carolina 27611, (919) 733-7513. Allow reasonable time for the Authority to act, then:
- D. If results are still not satisfactory, file a written complaint with the Cooperative Board of Directors. Allow reasonable time for the Board to schedule the item at a regular meeting. Allow reasonable time for the Board's orders on the matter to be carried out.

APPENDIX 1
TYPES OF SERVICE
AND
RATE SCHEDULES

Notice

Rate Schedules and terms stated in rate schedules are subject to additions, deletions and changes by the Cooperative's Board of Directors from time to time.

RATE SCHEDULES
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**APPENDIX 2
SCHEDULE OF CHARGES**

1. Membership Deposit	\$10.00
2. Connection Fee	\$10.00
3. Line Extension Fee (Per Policy on Line Extension Fee)	As Calculated
4. Late Payment Fee	the greater of 1.5% or \$5.00 per month
5. Payment Arrangement Fee	\$5.00
6. Disconnect/Reconnect Fee, per service, per trip, before 5:00 p.m.	\$40.00
7. Disconnect/Reconnect Fee, per service, per trip, after 5:00 p.m.	\$75.00
8. Reconnection Fee, per service, per trip	\$40.00
9. Field Trip Fee	\$40.00
10. Returned Check Fee	\$25.00
11. Credit Card Charge Back Fee	\$25.00
12. Service Security Deposit	
Residence – with prior history	2 x highest bill
Residence – no prior history	\$190.00
Large Power	contract amount or 2 mths bill
13. Security Light Deposit	\$30.00
14. Security Light Reconnect Fee*	\$40.00
15. Security Light Disconnect Fee (Less than five years' service)	\$40.00
16. Collection Fee, If Submitted to Collection Agency	50% of outstanding balance
17. Meter Test Fee	\$40.00

0Note: Refer to Service Rules and Regulations for conditions under which charges are applied.

*Not charged to new member or member requesting an existing security light to be connected in their name for the first time.

APPENDIX 3

**EDGECOMBE-MARTIN COUNTY
ELECTRIC MEMBERSHIP CORPORATION**

APPLICATION FOR RESIDENTIAL BUDGET BILLING

Member's Name _____
Account Number _____
Map Location _____

General Requirements: Member must have been on the system at the same location for 12 consecutive months, have a good credit history with Edgecombe-Martin County EMC and the account must be at a \$0.00 (zero) balance at the time of enrollment.

I _____, the undersigned, a member of Edgecombe-Martin County Electric Membership Corporation hereby apply and enroll in budget billing and agree as follows:

I will pay Edgecombe-Martin County EMC \$ _____ per month on or before the due date shown on my electric bill and I will maintain a good payment record at all times.

I will advise Edgecombe-Martin County EMC of any equipment added or removed during the year that will significantly affect my electrical consumption.

My consumption will be analyzed by Edgecombe-Martin County EMC on a quarterly basis and appropriate adjustments will be made to my monthly budget amount to accurately reflect my actual usage. At the end of 12 consecutive months from this application and each succeeding year, I will pay in full one lump sum of any unpaid amount due on my electric account to clear my account to a zero balance.

Bills rendered under the Budget Payment Policy are subject to the same collection policy and practices as all other electric bills. In the event my electric service is disconnected for nonpayment at any time in which this agreement is in effect, the entire amount due will become due and payable to Edgecombe-Martin County EMC, and this agreement will automatically be terminated.

As the member, I may terminate this agreement at any time, in which case the total unpaid amounts will become due and payable. Likewise, any overpayments received by Edgecombe-Martin County EMC will be refunded.

Signature

Phone Number

Billing Address

Date

Town State Zip