



A Touchstone Energy® Cooperative 

Service Rules & Regulations and Line Extension Policy

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I. **Mission Statement**

South River Electric Membership Corporation is a premier locally-owned and operated electric cooperative with a mission to provide safe, reliable, competitively-priced electricity. We are committed to achieving excellence and empowering our members. We are dedicated to high standards of performance and integrity. The cooperative's number one priority is our members.

II. **Vison Statement**

Achieving Excellence - Empowering Members

III. **Membership Agreement with Members**

These Service Rules and Regulations, as part of the Service Agreement between South River Electric Membership Corporation (EMC) and the Member, govern the supply and receipt of electric service. Membership is automatic for all persons who receive electric service 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 of electric service and an owner of the Cooperative. You have the right to vote in election the Cooperative's Board of Directors. The Board governs the corporation and sets policies that determines the Cooperative's operations.

We take great pride in providing our members with safe, reliable affordably priced electric service however, we cannot guarantee continuous and uninterrupted service.

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

1. Anyone has the right to electric service once they provide the appropriate documents that prove their identity and their right to have electric service at the requested location. Each person requesting electric service must provide the social security number and driver's license or official government-issued ID. A member may be required to pay a security deposit (see Section 202). Applicants also must prove the right of occupancy by providing a lease/rental agreement or proof of purchase. Additionally, South River EMC requires reasonable access to the property where electric service will be provided as well as that of neighboring property. All members must meet the conditions contained in this Service Rules and Regulations and the Cooperative's Line Extension Policy (see Section 600).
2. Only one person is officially the member, however another person, such as a

spouse, parent or roommate, can be added by the member as a contact on the account and they can have access to the member account information and make requests regarding the electric service account. However, a contact is responsible for any unpaid amounts due on the account in which they are a contact. The only exception to this rule is an instance where a contact is a caretaker for a person who is unable to manage their own affairs (i.e. elderly parent, terminally ill patient, power of attorney, etc.).

3. Members have the responsibility to provide the Cooperative with documentation from a medical professional 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, a member might be subject to special consideration in the event the electric account is subject to disconnection for non-payment, however, a medical condition does not make the member cutoff exempt.
4. Members have 25 days after the billing date shown on the electric bill to pay the current amount due, after that time, the bill is past due.
5. If a member's electric service is not paid by the due date and the next month's bill is rendered, a disconnection notification will appear on the new bill stating the date that the service will be disconnected. Only payment of the past due amount and any applicable fees can keep the service from being disconnected on the cutoff date. If the member cannot pay the bill by the disconnection date, the member might be eligible for a payment arrangement. Additionally, anyone applying for service at a location where the homeowner/landlord has a bad debt with the Cooperative, the service will not be connected until the bad debt is paid in full.
6. If a member's electric service is due for disconnection for non-payment and the member is unable to pay the amount due, a member can request a payment arrangement. An arrangement is given at the discretion of the Cooperative. If a member cannot pay an account by installments, the Cooperative cannot disconnect electric service (between December 15 and March 15) without notifying the North Carolina Rural Electrification Authority if:
 - There is a person 65-years-of-age or older or a disabled person is in the household; and
 - The member is eligible and certified to receive energy assistance from the local social services department; and

- Social Services, the administering agency, or the Member, provides South River EMC with a copy of North Carolina certification Form DSS 8118 in advance of service disconnection for non-payment.
 - That member provides advance notification and certification of meeting the requirements for special handling of account(s).
7. The Cooperative will not disconnect electric service for non-payment after 4 p.m. on a Friday, over a weekend or on a federal holiday when the Cooperative is closed for business.
 8. Members have the right to have the Cooperative test their electric meter for accuracy and to receive the results of the test. A meter test charge, as specified in the Schedule of Charges (Appendix SRR1), will be imposed if the meter is not found to be in error in excess of plus or minus two percent.
 9. Members can obtain, upon request, a copy of information about the Cooperative to include an explanation of cooperative principles, bylaws, rates, meter reading, rebates, loans, reporting of power failure, and conservation practices upon acceptance for membership at the Cooperative. The Cooperative will send these items, upon request, without charge, a copy of a member's billing information for the previous 12 months or it can be obtained online. Most of this information is also available at www.sremc.com. Requests for additional billing information may incur a charge.
 10. Members may request and have installed by the Cooperative at the member's expense, types of service that exceed what is normally supplied, provided that they meet the general conditions in these Service Rules and Regulations and the Line Extension Policy. If a member needs such services, they must contact the Cooperative.
 11. As a not-for-profit cooperative, we don't technically earn profits. Instead, any revenues over and above the cost of doing business, called margins, are returned to our members. Capital credit allocations are made each year based on the previous year's margins. The Cooperative returns 20-25 percent of the amount allocated to members the following year. The remaining 75-80 percent will be returned in about 19 years unless the member leaves the system and chooses the early-retirement option.

If a member leaves the system and closes all accounts, they are given the option to receive all allocated capital credits at a discounted (reduced) rate to reflect the time value of money. If they don't choose this option, the capital credit allocations will remain on the books in the member's name and member number until they are retired 19 years after they're earned. Members choosing the 19-year option should ensure that South River EMC has their current mailing address.

The capital credits of a deceased member may be paid early if the estate chooses the early-retirement option. However, these estate payments are not automatic. A representative of the estate must request the capital credits by submitting an official Certificate of Death and a legal document from the Clerk of Court's office identifying them as the legal representative of the estate.

These credits can be retired at a discounted rate to reflect the time value of money or the estate can choose to receive them on the regular cycle with no discount. The refunding of the Capital Credits is at the discretion of the Board of Directors.

IV. **Office Locations and Business Hours**

South River EMC offices are open for business from 8 a.m. and 5 p.m. Monday through Friday, with the exception of several holidays. Our after-hours service is available to answer member inquiries, report service issues and to take payments.

Members can pay bills 24-hours a day through the automated phone service at (910) 892-8071 or 800-338-5530 and online at www.sremc.com.

Headquarters Office

17494 Hwy 421, South
Dunn, NC 28334

District Operations Center

6491 Ramsey Street
Fayetteville, NC 28311

V. Cooperative Definitions

Abnormal Construction - Abnormal construction costs are incurred when physical obstacles or adverse conditions preclude use of the Cooperative's standard construction methods, or where excessive labor is necessary to install the Cooperative's facilities to serve the Member.

Abnormal construction includes, but is not limited to, the following conditions: the composition of the land where underground facilities are to be installed is such that Cooperative's standard construction equipment cannot be used to complete the installation, or excess labor is required to complete the installation; special equipment and materials are needed for crossing wet areas, structures or concrete structures; explosives are required. Also, when it is necessary to install or upgrade underground facilities under existing streets, sidewalks, patios, or other areas, the Member shall contribute the additional cost in excess of standard installation. Abnormal construction includes the use of boring rigs, concrete saws, and equipment to repair asphalt, and other like equipment.

Abnormal Design Requirements - Abnormal design costs are incurred when the Member request facilities or construction methods which exceed the Cooperative's standard engineering design practices and/or the standard design for normal service to a specific Member. The Member shall pay for the excess costs incurred by the Cooperative.

Account Contact – A person designated by the member to have the rights and privileges to act on their behalf on a specific account.

ACH – Automatic Clearing House – banking term related to automatic drafts from an individual's bank account.

Agricultural Line Extensions – yearly business-based farm with a tax id. All construction related to the farm business.

AMR/AMI – Automated Meter Reading/Automated Metering Infrastructure

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

Arrangements – An agreement to extend the due date of a member's bill. The member

agrees to repay monies owed the cooperative in a timely and reasonable manner established by the cooperative.

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

Auto Reconnect – A reconnection not requiring an on-site visit.

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

Bulk Feeder – Electrical feeder conductors with ampacity ratings greater than 200A and whose use is intended to either carry loads greater than 200A or to prevent excessive voltage drop issues in heavily loaded areas

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.

Commercial Service – Service facilities related to businesses, irrigations systems, bulk barns, intensive livestock operations.

Connect Point - the connect point shall be the location at which the member's facilities physically connects to the cooperative's facilities. This location can be at the NPOD or meter point.

Construction Cost - The construction cost is the Cooperative's estimated installed cost of constructing all necessary facilities to the meter point, including the cost of materials, labor, transportation, stores, tax, engineering, and general expenses, and exclusive of any non-standard installation cost.

When it is necessary to remove, relocate or upgrade existing Cooperative facilities, the construction cost shall also include the removal cost of existing Cooperative facilities, less the salvage value of any existing Cooperative facilities being removed. Contribution in aid of construction shall be paid to the Cooperative as outline in CIAC

Contribution-in-Aid-of-Construction (CIAC) - The amount that construction cost exceeds any designated credit or, in some cases, where no credit applies, and Member is required to pay total cost of construction. The Member will be required to pay such fees or

contributions in aid as calculated by the Cooperative. Payment method will be determined by the Cooperative based on the CIAC 601 Provisions.

Cooperative – a non-profit member-owned organization that is democratically-controlled by the members who use its services and whose benefits are derived and distributed equitably on the basis of use. The user-owners are referred to as Members.

Delinquent Bill - A bill for which payment is not received by the due 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.

Excess Footage – is the footage that exceeds the normal point of delivery and / or any provisional lengths designated by the cooperative. Charges for excess footage shall apply, as designated in Appendix LEP1.

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.

Grid Access Charge – A recurring charge designed to recover South River EMC's customer-related costs, whether or not a member consumes electricity. This fee is designed to recover part of the cost of transformers, service wire, meter and other distribution assets that are required to physically deliver electricity to a member's home.

Guarantor - An existing Member who meets eligibility guidelines to guarantee the security deposit for another Member.

Incidental –An incidental line extension is a permanent service that has been determined by the Cooperative to be economically impractical to serve due to extended returns on investments. Such cases may be related to services with minimal load, seasonal load, services activated for less than 6 months annually or loads that do not exceed monthly minimum bill.

Incidental extensions would include the following: cabins, barns, small shops, community buildings, playground water park, greenhouses, wells, water pumps and commercial irrigation systems, electric fences, electric gates, sheds, swimming pools, billboards and

other signage, garages, and small service poles (60-100amp). They additionally include those facilities not occupied daily throughout the year and/or not built upon permanent foundation and with permanently attached water and sewer facilities. Any of the forementioned facilities associated with an agricultural business and being part of accumulated processes of the business would fall into the Agricultural category.

Line Extension Procedure - These are procedures to ensure that all line extensions provided to serve Members are applied in a fair and equitable manner.

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 maintained an A credit rating, had no involuntary disconnections, no returned checks/ACH drafts and or no violations of meter tampering.

Member Contact - A person designated by the Member to have full rights and privileges to act on their behalf on all accounts. (i.e., Spouse, Power of Attorney).

Meter Point - the meter point shall be the location at which the Cooperative meters the member's energy usage. The service wire from the Cooperative's meter point to the connect point belongs to the Member.

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 properly recording the amount of electric service supplied to the Member.

NCEMC - North Carolina Electric Membership Corporation located in Raleigh, North Carolina is the wholesale supplier of electric service for 21 Cooperatives in North Carolina.

Normal Point of Delivery (NPOD) - The normal point of delivery for electric service at a member's facility is the point where the Cooperative's facilities terminate, and the Member's electric facilities begin. The NPOD is typically defined as follows:

1. When supplying electric service to a building, the NPOD is always on the outside of the building.
2. The NPOD is best located on the side of the building nearest to the Cooperative's electric system.

3. The Cooperative's electric facilities typically terminate in a meterbase (for self-contained meters), a member-owned CT cabinet, trough or similar enclosure and may terminate in the Cooperative's service transformer.
4. For large commercial and industrial services, the Member's service conductors generally originate inside the building at the main service equipment. In these cases, the Member is responsible to pull their service conductors to the NPOD at the Cooperative's transformer or at a Member-owned CT cabinet.

Permanent service - permanent service has year-round electric service needs for more than a 12-month continuous period will meet one or more of the following. All permanent services will be placed into one of the six construction categories, as determined by the Cooperative, for determining construction cost to the member and revenue credit for the member:

- Has a permanent foundation;
- Is permanently attached to water and sewer facilities;
- Can be utilized to serve other permanent Members/facilities in the near future.

The following are not considered permanent facilities: boats, campers, individual recreational vehicles, rock quarries, carnivals, fairs. RV Parks, commercial storage buildings, and agricultural labor camps may be considered a permanent facility.

REPS – (Renewable Energy Portfolio Standard) Charge - A monthly charge, to recover the costs incurred by the Cooperative to meet the state's REPS law. This amount is adjusted annually.

Residential – Service facilities for residential services.

Residential Development - A Residential Development is a subdivision, mobile-home park, apartment complex, or other similar type development with lot frontages generally less than 200' where permanent electric service will be provided. The development can be either OH or UG and has paved streets with a public utility easement recorded with the appropriate County Registry.

1. UG Development – UG developments consist of 10 or more contiguous lots. The standard right of way is 10' for primary line with a 10' x 10' box right of way for transformers and other structures. The Cooperative standard lighting in these developments will be LED streetlights on fiber glass or metal poles. Any upgrade

requests from Cooperative's set standard will be billed to the developer at full cost for poles. Lots with frontages on state own roads are not consider a development and will fall under the Residential Line extension as an individual construction job.

2. **OH Development** - OH developments consist of 4 or more contiguous lots. The development may have paved or unpaved roadways within a stated Public Utility Easement and will be recorded with the appropriate county registry. The developer must present a recorded plat of all lots to be developed. Cooperative's standard lighting in these developments will be LED security lights on wood poles. Any upgrade requests from Cooperative's set standard will be billed to the developer at full cost for poles.

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

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

- a. Application by Member (security deposit, if required)
- b. Bylaws
- c. All necessary right-of-way easements
- d. Current applicable Rate Schedules and/or Riders
- e. Current Service Rules and Regulations

Service Upgrade - When the Member's service entrance equipment (i.e. disconnect panel, breaker panel, main distribution panel, metering equipment) has been upgraded to a higher-level load class (i.e. 100A to 200A, or 200A to 400A) due to an increase in the Member's load requirements. A completed Member Information Load Sheet, along with payment of applicable fees, shall be required by the Cooperative prior to construction.

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.

Temporary Line Extension - A temporary service is any service to a Member whose electric service needs are for less than a 12-month continuous period and will be retired/removed once permanent service is cut on and where the Cooperative's facilities installed to serve the member shall not be needed to serve other Members in the near future.

Underground (URD) conversion – The removal of existing overhead electrical facilities and replacing them with underground facilities.

Service Rules and Regulations

VI. Service Rules and Regulations and Line Extension Policy

Section 100: Cooperative and Member Obligations

101 Approval and Cooperative Board's 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 online at www.sremc.com) 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 Electrification Authority and, pursuant to North Carolina law G.S. 62-138(f), with the North Carolina Utilities Commission.

102 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. The Cooperative will not be responsible 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.

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 or demand response programs.

In maintaining right-of-way, the Cooperative will not be liable for damage to trees, shrubs, lawns, fences, sidewalks or other obstructions 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 anyone other than the Cooperative's authorized agents or employees. Damage caused or permitted by the Member to the Cooperative's property will be paid for by the Member.

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 with express written consent of the Cooperative.

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.

If a member requests an outdoor light installation, the Cooperative will construct, own, operate, and maintain the light(s) for a monthly fee. Members who rent or lease a property and request to have an outdoor light installed, must have the owner or representative of the property sign a Construction Release of Liability prior to installation. Tenants will then be billed the monthly outdoor light rate. Existing outdoor lights will be billed to the new tenant or homeowner automatically. If an outdoor light is inactive for three or more years it is subject to be retired.

103 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:

1. File a complaint with the appropriate department head at the local

Cooperative office and allow reasonable time or investigation, advice, and action. If the results are not satisfactory, then:

2. 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:
3. File a complaint with the North Carolina Rural Electrification Authority (NCREA) at 4321 Mail Service Center, Raleigh, North Carolina 27699, website rea.nc.gov and contact number 984.236.4295. Allow reasonable time for response. If results are still not satisfactory, then:
4. 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.

Section 200: Electric Service Availability

201 Application for Membership

The Cooperative will supply electric service to the member once the member is in compliance with all aspects of the service agreement, is of legal age, has paid all applicable fees to establish service, and agrees to be bound by the Cooperative's established bylaws, service rules and regulations, line extension policy, rate schedules and riders, demand response, interconnection agreements (if applicable), necessary right-of-way easements and any other cooperative agreements that might apply. The contractual service agreement may be completed in written, verbal or electronic forms.

Service will be provided after an application (written, verbal or electronic) has been completed if:

- All necessary forms of identification and proof of ownership/lease agreement or Tax ID is provided and all monies due to the Cooperative (i.e. bad debts, deposits) have been paid.
- None of the utility services require extra facilities.
- Any contribution-in-aid-of-construction (CIAC) is paid per the Cooperative's line extension policy.

- Non-residential entities will need to provide a list of people authorized to conduct business on the electric account.

(Note: *The Cooperative will attempt to secure a signed membership application for all requests for service made by phone or completed online by including either mailing or e-mailing and application to the Member.*)

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 administrative service charge will be required on all new services.

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 (See Section 700).

202 Security Deposits

Residential Deposits: *(i.e., single family, multifamily, manufactured homes)*

The Cooperative requires a non-interest bearing security deposit for: existing homes of \$300 or two times the average monthly electric bill at the location (whichever is greater). For new homes or those with less than one full year's energy-use history: a deposit of \$375 is required. All deposits are due in advance of service connection or at any subsequent time when the Cooperative determines that a deposit is needed to ensure payment of bills.

Realtors & Rental Management Companies:

A realty or rental management company that is connecting a home between tenants, preparing it for sale, cleaning or inspection will be assessed a \$100 deposit per unit that will be held until the unit is sold.

As an alternative, the Cooperative will accept:

- a. Current or previous good credit with the Cooperative (within 24 months).
- b. The Cooperative can conduct an online utilities commercial credit check. Score must be 85 percent or higher.
- c. Participation in SmartPay (the Cooperative's prepaid solution) see section 310.

Landlords:

Proprietors establishing credit for the first time, will be required to pay a non-interest bearing security deposit for: existing homes of \$300 or two times the average monthly electric bill at the location (whichever is greater). For new homes or those with less than one full year's energy-use history: a deposit of \$375 is required.

Property owners who want a rental account to be auto-connected in their name between tenants will be required to pay a \$100 deposit per unit, which will be held until the unit is sold.

Builders:

Builders are required to provide a non-interest bearing security deposit of \$375 per location.

Or

If either of the below apply, the deposit will be \$100 per location.

- a. Current or previous good commercial/industrial/agricultural credit with the Cooperative (within 24 months).
- b. The Cooperative can conduct an online utilities commercial credit check. If a score of 85 percent or higher.

All deposits will be held until the home is transferred out of the builder's name.

Incidental (Non-Residential) Deposits: *(i.e., electric fences, well pumps, signal lights, cable TV junctions, sheds, small workshops, cabins, etc.)*

The Cooperative requires a non-interest bearing security deposit of \$100.

As an alternative to residential/incidental cash deposits, the Cooperative will accept:

- a. Current or previous good credit with the Cooperative (within 24 months).
- b. A Guarantor. A member can have an existing member sign a guarantee. The Guarantor must be an immediate family member in good credit standing and have had service with the Cooperative for a minimum of 24 months. The Guarantor must meet all guarantor guidelines.
- c. The Cooperative can conduct an online utilities credit check.

- d. Participation in SmartPay (the Cooperative's prepaid solution) see section 310.
- e. Active duty military personnel can participate in the Fort Bragg FCU deposit-waiver program through One Stop.

An existing member who is disconnected for non-payment with no deposit or an inadequate deposit amount on file, will be required to pay a deposit (or an additional deposit), which will be due with the next bill.

An applicant who has an outstanding debt with the Cooperative **must** provide full payment for such debt before service can be established and a deposit will also be required.

Commercial/Industrial/Agricultural Deposits: *(i.e., business, irrigation systems, bulk barns, confined livestock, manufacturing facilities, etc.)*

Members applying for these types of accounts are required to provide a non-interest bearing security deposit. For existing or new facilities, the deposit will be the estimated total of two times the average bills at the location.

Or

If either of the below apply, the deposit will be the same as one month's average bill at the location.

- a. Current or previous good commercial/industrial/agricultural credit with the Cooperative (within 24 months).
- b. The Cooperative can conduct an online utilities commercial credit check. If a score of 85 percent or higher.

Deposit Refunds

All residential security deposits will be refunded to the member account *automatically* after a period of thirty-six (36) consecutive months of on-time payments (no past due payments). Upon termination of membership, the security deposit (if not already applied) will be applied against any unpaid balance owed to the Cooperative and any excess refunded. Commercial deposits are kept on file until the account is closed.

203 Service Additions

South River EMC sizes equipment for a member's facility depending upon information provided by the Member and/or their agent. Three-phase service is available in some areas and will be provided if requested and available. Such services are provided at a higher cost than standard single-phase service. It is the responsibility of the member to inform the cooperative when they add equipment, buildings, electric vehicles, pools, etc. that will increase the electric load requirements of the service. The Cooperative will assess their facilities and determine if the service needs to be upgraded.

204 Additional Service Connections (meters/accounts)

A Member may have any number of service connections (accounts) under one membership. The Member may be obligated to pay, pursuant to Section 202, the applicable 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.

205 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 contribution-in-aid-of-construction (CIAC) for line extensions beyond the limits as provided by the Cooperative's line extension policy.

When a member or an individual requests that the Cooperative supply electric service in a manner that 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 at the cost of the Member. Costs will be collected through service rates and/or contributions-in-aid-of-construction, as agreed upon by the Cooperative and the Member.

206 Metering Facilities

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. Regardless of ownership of the facilities, the Cooperative will have the right, at its option, and at 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.

207 Protection of Member Data

The Cooperative will comply with all federal "red flag" rules concerning identity theft and credit-reporting accuracy. These rules are designed to protect and secure the confidentiality of member personal information and other sensitive records, including:

- a. Social security numbers and tax identification numbers
- b. Driver's license numbers
- c. Bank account numbers
- d. Credit/debit card numbers
- e. Personal identification number (PIN) codes relating to financial data
- f. Electronic identification numbers, e-mail names or addresses, Internet account numbers or Internet identification numbers.
- g. Digital signatures
- h. Any other numbers or information that can be used to access a person's financial resources
- i. Biometric data
- j. Fingerprints
- k. Passwords
- l. Energy use data

Section 300: Billing

301 Responsibility to Read Meters and Grid-Access Charges

Meters will be read remotely or manually and bills rendered by the Cooperative. Members may request that a copy of their bill be sent to a specified alternate contact. 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 history. Accounts billed on an estimated basis will be adjusted, if necessary, when actual readings are obtained. An explanation of the meter-reading process can be obtained from the Cooperative.

When a member is billed for less than a full month, the grid-access charge will be prorated and billed for the number of days electric service was connected in the month. Monthly grid-access charges are prorated by dividing the total amount by the number of days in the current month. This will determine the daily amount.

Members participating in prepaid billing (See section 310) will be charged a daily facilities charged using the same method of proration.

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 after the billing date. Once an account becomes delinquent, final notification for disconnection will be noted on the next bill. The final notification will state that the Cooperative's office can be contacted prior to the disconnection date to discuss past-due balances if a member cannot pay the bill. Granting of an extension of time is at the discretion of the Cooperative (See section 303).

Delinquent amounts and disconnection dates will be notated on the billing statement. With this notice, the account will be subject for disconnection after a minimum of seven (7) days if payment is not received. Failure to make payment or honor credit arrangements will result in a disconnection of service without further notice.

If service is disconnected for non-payment for any reason, all past due monies owed the Cooperative must be paid in full (to include fees and charges) before service will be restored. Should extenuating circumstances exist, such as illegal activity or meter tampering, all monies owed the Cooperative will be collected, including any applicable fees. Reconnections will not be performed by service personnel before 8 a.m. or after 10 p.m.

(Note: The disconnection date stated on a returned check/ACH draft notice/credit card chargeback might be subject to immediate disconnection until all money owed is paid.)

If the member owes the Cooperative any past due amount or outstanding fees (i.e. bad debt, late fees, disconnection fees, contribution-in-aid-of-construction, pole attachment fees, etc.), the Cooperative reserves the right to apply this amount owed to any active account held by the member. Once an outstanding balance has been transferred to an account, the member is given 25 days before the bill becomes past due. The account requires prompt attention to avoid disconnection of service.

303 Arrangements/Time Extensions

At the discretion of the Cooperative, additional time might be extended to members in accordance with the following standards:

- a. When the Member's inability to pay the bill is the result of a mistake on the Cooperative's part or a mistake for which the Member was not responsible.
- b. 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 or natural disaster, not caused by act of arson on the part of the Member or the Member's family.
- c. When disconnection of service might impose immediate danger to the Member or other persons due to illness or some hazardous condition, or when there has been a recent death of a member of the household.
- d. South River EMC will make provisions to extend due dates on a case-by-case basis. These arrangements will be based on individual credit history, past payment arrangement history, justification or need. Failure to honor credit arrangements will result in immediate disconnection of service. Arrangements may be requested during normal business hours in one of our offices or by calling our customer service department.

304 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.

If the member has multiple accounts and owes the Cooperative any past due amount or outstanding fees (i.e. bad debt, late fees, disconnection fees, contribution-in-aid of construction, pole attachment fees, etc.), the Cooperative reserves the right to apply this amount owed to any active account held by the member. Once an outstanding balance has been transferred to an account, the member is given 25 days before the bill becomes past due. The account requires prompt attention to avoid disconnection of service.

305 Bills in Dispute

Failure to receive a bill does not exempt a member from payment. A duplicate bill

may be obtained from the Cooperative or the member portal at sremc.com. Neither a dispute concerning the amount of a bill nor a claim or demand by the Member against the Cooperative will alter the normal requirements for payment (See Section 103).

306 Methods of Payment

South River EMC accepts payments by various methods including:

- Credit cards
- Cash
- Check, e-check or money order
- Bank draft
- Or any other payment method that may be adopted by the Cooperative for the benefit of the Member and the Cooperative.

Payments can be made:

- In the office
- By phone
- Kiosk (credit given immediately)
- Authorized pay station – (credit given next business day)
- Online (South River EMC Web site/Member's bank)
- Automated phone payment system (IVR)
- Authorized third-party electronic payees
- South River EMC reserves the right to change the ways it accepts payment and the locations where payments can be made at any time.

Budget Billing: A monthly average billing program is available for members upon request. To participate in this program, a member must have had service for at least 12-consecutive months. Payments will be based on a rolling 13-month average payment amount. The account will true-up when the member ceases participation in Budget Billing or when the account is disconnected and final billed.

307 Returned Checks/ACH Drafts/E-checks/Credit Cards

Any member whose check/draft/credit card payment to South River EMC is returned for insufficient funds, closed account, charged back or stopped payment will be notified immediately and a returned check/draft/credit card chargeback fee will be added to the Member's account. Such charge may be up to the maximum allowed by North Carolina law (GS 25-3-506). The Cooperative will attempt to notify the Member regarding the returned check/draft/credit card charge back. If

the amount of the returned check/draft/charge back, plus the returned check/draft/charge back fee charges (See Appendix 1) is not paid within five days, service will be disconnected. However, if the account is past the disconnection date, the returned check/draft/charge back *might be subject to immediate disconnection until all money owed is paid*. Payment must be in the form of cash, money order, certified check or debit/credit card (except for charge back).

If the Cooperative receives two returned checks/drafts from a member in any 24-month period, the Cooperative will no longer accept checks/drafts from that member.

If service is disconnected for non-payment for any reason, all monies owed the Cooperative must be paid in full (to include charges and fees) before service will be restored. In addition, a deposit or additional deposit may be required.

Credit Card Charge Backs: One charge back at the account level will result in a return fee and the member will be prohibited from using a credit card to make payments to South River EMC for a period of 24 months. If a member is found to be using a credit card fraudulently to pay their South River EMC electric account they will be prohibited from using a credit card to make payments to their South River EMC account permanently.

308 Corrections for Errors

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. When an error results in an undercharge to the member, 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 but not to exceed 150 days.

If the interval in which the error occurred cannot be determined, then the billing adjustment will be based on an appropriate estimation of usage. For residential members, outdoor light only accounts or for non-residential accounts on small general service, the period will not exceed 150 days. For members having demand of more than 50 kw, that period will not exceed 12 months.

If a meter stops or fails to register correctly, or if the calibration is found to be in error of greater than plus or minus two percent (2%), the Member's account will be

adjusted accordingly. The Cooperative will periodically test and inspect its meters.

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 (See Appendix 1), will be imposed if the meter is not found to be in error in excess of plus or minus two percent (2%).

309 Catastrophic Loss of Facilities

In the event a member's premises is destroyed by natural disaster or other catastrophic event, beyond the Member's control, which results in a complete cessation of service, the member must notify the Cooperative within thirty (30) days thereafter, advising of the intent to rebuild as soon as possible. During the period of time until service can be resumed, the Cooperative will waive any minimum charges. The Member's obligation to pay for charges incurred before such an event will need to be paid before the service is reconnected, otherwise, the agreement for service will immediately terminate.

310 Prepaid Billing

The Cooperative offers a prepaid billing option to residential and small general service (non-demand) accounts. Prepaid billing is available upon request for any active single-phase non-demand account where electric service is delivered through a standard automated meter.

Prepaid billing accounts do not receive a monthly billing statement. With prepaid billing, electric use, charges, and credits are posted to the account daily. Each month, the daily account postings are reconciled to the appropriate rate and any difference is credited or debited to the account.

To activate a prepaid billing account, an initial minimum positive balance is required, including a one-time administrative fee (for new members). Additionally, a monthly participation charge (SRR Appendix 1) is assessed to help offset the cost of the program. Prepaid billing accounts are not subject to fees for disconnection, reconnection and late payment.

Since members who participate in prepaid billing pay for all electric use in advance, security deposits are not required for prepaid billing accounts. However, if a member opts to convert from prepaid billing to conventional billing, a deposit might be required. If a member who has a deposit on file chooses to convert to prepaid

billing, the deposit will be applied to the prepaid account to offset any amount owed to the Cooperative, or if none is owed, go toward future energy purchases.

Due Dates and Failure to Pay

The member is solely responsible for managing their prepaid billing account, which includes monitoring energy usage to ensure they *maintain a positive balance at all times*. If the member's account reaches a negative balance, it becomes eligible for automatic disconnection the next business day. If the account is returned to a positive balance before the disconnection time, the account will remain active. In the event an account is disconnected, a minimum positive balance is required when the account is reconnected. There is a \$15 minimum payment allowed using a credit card.

Prepaid billing accounts are not eligible for time extensions or payment arrangements. Prepaid billing account information may be accessed at any time online or by telephone.

Prepaid Bill in Dispute

Failure to receive billing notification(s) does not exempt a member from payment. Neither a dispute concerning the amount of a bill nor a claim or demand by the member against the Cooperative will alter the normal requirements for payment.

Corrections for Errors and Billing Adjustments for Prepaid Billing

Adjustments to the account due to inaccurate metering equipment, errors in meter reading or billing will be made promptly. The Cooperative will issue a credit for errors when an adjustment is warranted. The Member will be responsible for any appropriate charges. Due to the frequency of meter readings for prepaid billing, in the event a meter cannot be read, the daily amount will be estimated based on average use. Once the meter can get an accurate read, the estimate will be "trued up" with the actual use and the appropriate charge or credit. Members who owe the Cooperative money, have the option of participating in prepaid billing and paying off the "debt" through a percentage (no less than 25 percent) of each payment made until the debt is paid in full. The Cooperative reserves the right to require a percentage of the outstanding debt to be paid prior to enrollment in the prepaid debt recovery program.

Anyone who has been found tampering with South River EMC metering equipment will have to pay the entire outstanding amount due, including fees, before participating in prepaid billing.

Section: 400 Disconnection and Reconnection

401 Disconnection of Service by the Cooperative (for reasons other than non-payment)

Service can be disconnected after notice has been given and reasonable time to comply has been allowed for non-compliance with the service rules and regulations, 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 Cooperative may disconnect service immediately and *without notice* for the following reasons:

- Discovery of meter or load management equipment tampering or diversion of electricity.
- Use of power for unlawful, unauthorized or fraudulent reasons.
- By order of public authority.
- 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.
- For repairs, emergency operations, unavoidable generation shortages, or interruptions in the Cooperative's supply source.
- Introduction of foreign electricity on the premises without prior written consent.

When an account is subject to disconnection, the member will be assessed a service fee (Appendix SRR1).

Waiver of default: If the member continues to be, or again becomes, non-compliant with the service agreement, 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.

When a premise served by the Cooperative is vacated or abandoned without

notifying the Cooperative, the current member shall be held responsible for all electricity used at the location until:

1. Notice is received and service is disconnected.
2. Application for service has been made by a new member and accepted by the Cooperative.
3. Neither "1" nor "2" occurs and service is disconnected for nonpayment.

Members requesting a service, which has been disconnected for less than twelve (12) months, to be reconnected, shall be responsible for the monthly minimum charge, as is appropriate for the assigned rate, times the number of months the service was disconnected.

402 Power Diversion and/or Meter Tampering

Power diversion and meter tampering are extremely dangerous and can cause fire, explosion or electrocution. NC GS 14-151.1 states it is unlawful for any unauthorized person to alter, tamper with or bypass a meter, which has been installed for the purpose of measuring the use of electricity and any violation is a Class 1 misdemeanor. No one other than a trained employee of the Cooperative or an authorized contractor of the Cooperative is permitted to break the meter seal. Any member who is found to have bypassed the meter or unlawfully removed the meter will have electric service disconnected immediately and will be subject to a fine. The member must pay the entire outstanding amount due, including fees, before electric service will be reconnected (SRR Appendix 1). The Cooperative can seek criminal prosecution if deemed necessary.

403 Cold Weather Disconnection

If a member's electric service is due for disconnection for non-payment and the member is unable to pay the amount due, a member can request a payment arrangement. An arrangement is given at the discretion of the Cooperative. If a member cannot pay an account by installments, the Cooperative cannot disconnect electric service (between December 15 and March 15) without notifying the North Carolina Rural Electrification Authority if:

- There is a person 65-years-of-age or older or a disabled person is in the household; and
- The member is eligible and certified to receive energy assistance from the local social services department; and
- Social Services, the administering agency, or the Member, provides South River EMC with a copy of North Carolina certification Form DSS 8118 in

advance of service disconnection for non-payment.

- That member provides advance notification and certification of meeting the requirements for special handling of account(s).

404 Reconnection of Service by Cooperative

Subsequent to the disconnection of electric service by the Cooperative for reasons listed in Section 401, service may be reconnected under the following conditions:

1. The conditions causing the disconnection are corrected.
2. 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.
3. 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 account holder's household until the infraction is corrected, credit is re-established by the Member and all applicable accounts have been paid.
4. The Member has agreed to comply with reasonable requirements to protect the Cooperative against further infractions.
5. A reconnection fee and/or any other applicable service charges and security deposits have been paid (SRR Appendix 1).
6. Members requesting reconnection, should ensure all appliances are in the off position to avoid potential hazards if they will not be home at the time of reconnection. South River EMC is not liable for any incidents that may occur as a result of power being reconnected in a member's absence.
7. If a service that has been disconnected for more than one year, is requested to be reconnected, an electrical inspection by the appropriate county or another appropriate agency or a Service Connection Release of Liability form signed by the member, will be required prior to reconnection.
8. Non-residential consumers requesting a service, which has been disconnected for less than twelve (12) months, to be reconnected, shall be responsible for the monthly minimum charge, as is appropriate for the assigned rate, times the number of months the service was disconnected.

405 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 from membership in good standing under the following conditions:

1. Payment of any and all amounts due the Cooperative.
2. Remain in compliance with any membership obligations.
3. Move to other premises not served by the Cooperative.
4. Member requests disconnection of electric service at any and all premises served by South River EMC, pursuant to the service agreement.

Upon such withdrawal, the Member may receive a refund of the balance of the security deposit(s) held by the Cooperative after applying it toward the Member's final bill.

406 Retirement of Service by the Cooperative

Any electric service that has been inactive/idle for a period of three years will be evaluated by the Cooperative to determine whether the service should be retired. If, in the judgement of the Cooperative, the service is likely to become active within the next two years, then the service will be left intact for that period of time. If the service is STILL not active after a total of five years, it will be retired.

Section 500: Conditions of Service

501 General Conditions

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

1. The Member is in compliance with all aspects of the service agreement and agrees to be bound by the bylaws.
2. The Member agrees to furnish, without cost to the Cooperative, all necessary easements and rights-of-way.
3. 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 electric service begins.
4. The Member agrees that the Cooperative will have right of access to Member's 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.

5. Any previous outstanding debts owed by the Member, or any other person in the Member's household, to the Cooperative have been paid.
6. Provision of service will in no way conflict with public authorities.
7. All Member wiring and equipment meets the requirements of the National Electrical Code and of the Cooperative, in addition to the specifications of any local authorities having jurisdiction. Proof of inspections required to meet local and state governmental standards of the premises wiring has been made available by the Member.
8. The Member has not connected, and agrees not to connect, any motors or other equipment, which are not suitable for operation with the character of the service supplied by the Cooperative or that adversely affect the Cooperative's equipment or the service to other Members.
9. 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 regulation, such as welders, X-ray machines, shovel loads, or motors starting across the line.
10. 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.
11. The Member 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.
12. 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. Member must provide documentation from a medical professional stating the condition(s) requiring continuance of electric service. Member must secure such updated medical documentation at least every 36 months.
13. The member is responsible for battery backup equipment for any life

sustaining devices or to have a back-up generator. The Member also understands that the Cooperative does not guarantee continuous and uninterrupted service and that during emergency situations, it is the responsibility of the Member to relocate anyone dependent on electricity to a secondary location such as a shelter until the Cooperative can restore power safely.

14. Any business that is dependent on uninterrupted electric service, is advised to install uninterruptible power systems, back up generation or any other devices necessary to ensure the continuity of their business operation in the event of an interruption of electric service or outage.
15. 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 403.

502 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 location 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 not less than 114 volts or more than 126 volts on a 120-volt basis.

- Single Phase, 2 Wire 120 Volts
- Single Phase, 2 Wire 7200 Volts
- Single Phase, 2 Wire 14400 Volts
- Three Phase, 120/208 Volts
- Three Phase, 120/240/208 Volts

- Three Phase, 240/480 Volts
- Three Phase, 277/480 Volts
- Three Phase, 4 Wire 7200/12470 Volts
- Three Phase, 4 Wire 14400/24900 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 purposes
- 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

503 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:

- 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.
- 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.

- 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 shall be responsible for single-phase protection of all three-phase motors, pumps, electric equipment and other like apparatus, which may be susceptible to damage or failure due to single-phasing conditions. The Cooperative shall not be held liable for damage or failure of such equipment under any condition. The Member will notify the Cooperative immediately of any defect in service or of any trouble or irregularity to the electric supply.

Any member that is dependent on uninterrupted electric service, is advised to install uninterruptible power systems, back up generation or any other devices necessary to ensure the continuity of their business operation in the event of an interruption of electric service or outage.

Maintenance work on lines or equipment requiring service interruption will be done, as far as feasible, 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.

504 Right-of-Way Maintenance

The Member will grant to the Cooperative, and the Cooperative will maintain rights-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 lines 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.

Members who desire to have trees trimmed or cut, which are close to Cooperative power lines and, pose a possible hazard to the lines may request assistance from the Cooperative in cutting or trimming. The Cooperative will schedule such work at its convenience.

505 Power Factor

The Member will at all times maintain a power factor at the point of delivery as close to one hundred (100%) as is feasible. 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 equipment to correct the power factor, at the Member's own expense 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.

506 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, to include an external disconnection device accessible to Cooperative personnel. A double throw transfer switch must be used to prevent possible injury to the Cooperative's personnel and equipment by making it impossible for power to back feed into the main line from the generator.

507 Distributed Generation

Following are the requirements for interconnection of Distributed Resources (DR) and parallel operation of generation facilities with the distribution system of South River EMC.

- A request to interconnect a DR that has a certified generating facility of any size must meet all standards set forth by the Cooperative. A request to interconnect a DR larger than 1,000 kw/1 mw, will be subject to a study process. The study process will be subject to the requirements of the applicable distribution/transmission owner, and might require special metering and other equipment as required by the distribution/transmission owner on a case-by-case basis as determined by the study process. Any contracts for the sale of electricity from a DR of more than 500 kw will be made between the owner/operator and the North Carolina Electric

Membership Corporation (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.
- Members who install a solar generator at their home or business and wish to interconnect with South River EMC's system, must abide by all rules set forth in the Cooperative's interconnection policy, which is available by request. South River EMC does offer net metering up to 100 kw. Any solar generation system 8 kw or larger must have an onsite inspection by cooperative personnel to ensure current equipment is sufficient for the energy produced by the generator. Any excess energy produced must be used at the same location and cannot be cashed out at any time.

508 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/demand response equipment and energy efficiency measures.

Appendix SRR1
South River EMC

Schedule of Charges

Security Deposits	
▪ Residential	\$300 OR
2 x the average monthly bill, whichever is greater	
NEW homes	\$375
▪ Incidental Non-Residential	\$100
▪ Commercial.....(amount equal to two highest months' bills)	
Administrative Service Charge (per connection).....	\$ 25
Temporary Service Fee (includes administrative service charge).....	\$100
Late Payment Charge.....	\$ 12
Returned Check/Credit Chargeback Charge.....	\$ 25
Collection Charge.....	\$ 35
Disconnection Charge (Manual/Remote/Outdoor Light).....	\$ 35
Reconnect Charge (Manual/Remote/Outdoor Light) - Regular Hours.....	\$ 35
After Hours Charge.....	\$ 75
(Reconnects, New Connections on weekends or holidays)	
Repeat After Hours Trip Charge	\$ 75
Same Day Service Charge.....	\$ 75
Meter Test Charge.....	\$ 75
Meter Tampering Charge.....	\$500
(\$1000 for the second offense, \$1500 for the third, etc.)	
Damaged Meter/Disconnect Collar.....	\$250
Damaged Remote Disconnect Meter (RDM).....	\$350

Note: After hours Non pay reconnections will not be dispatched to servicemen after 10 p.m.

Line Extension Policy

Section 600: Line Extension Policy

601 Provisions

The Cooperative shall make a diligent effort to extend electric service to all persons within the service area of the cooperative who desire such service and meet all reasonable requirements established by the Cooperative, provided the extension of such facilities and/or the nature of the load does not impair the operations of the Cooperative's system or unduly jeopardize its financial responsibilities.

Electric service extensions shall follow established construction practices that require no facilities or services in excess of those normally provided by, or acceptable to, the Cooperative and using the most economical and direct route. The Cooperative will impose certain installation, upgrade, or relocation charges and will impose additional fees for any line extensions beyond specified limits, as stated in this policy. Charges and fees may be updated annually depending on rising material and labor charges.

CIAC

The Cooperative may assess contributions in aid of construction (CIAC) provided such assessments are consistent with these Line Extension Procedures. All CIAC charges and other fees will be reviewed annually; any changes in fees and CIAC charges or the method of calculating the designated credits will require the approval of the Board of Directors.

CIAC Payment method:

The following payment method relates to secondary, service and primary installations and is applicable across all rate classes.

A. Permanent Line Extension Payment Methods

1. Residential and Agricultural Memberships

- a. CIAC charges up to \$5,000 may be paid in full prior to construction, paid in full at first bill, or paid in not more than 6 installments and not less than \$100 each. Any default in payments will warrant the transfer of the entire balance to one of the member's active metered accounts.
- b. CIAC amounts greater than \$5,000 shall be paid prior to construction.

2. Commercial (Small, Medium, and Large) and Industrial Memberships

- a. CIAC charges up to \$5,000 may be paid in full prior to construction or paid in full at first bill. Any default in payments will warrant the transfer of the entire balance to one of the member's active metered accounts.
- b. CIAC amounts greater than \$5,000 shall be paid prior to construction.

B. Temporary Extensions Payment Methods

Temporary services involving primary extensions may be paid in full prior to construction or paid at first bill.

CIAC Collection method:

1. The Cooperative representative shall not collect construction charges by cash payment in the field.
2. The Cooperative representative can collect construction charges by payment of a check in the field with the limit of up to \$5,000.
3. The Cooperative preferred method of construction charges payment by member is by mail, in person at office or by phone.

602 Overhead & Underground Line Extensions

The Cooperative will construct, own, operate, and maintain the overhead and underground facilities necessary to provide electric service from a Cooperative's source to the NPOD. Overhead services shall extend to the weather-head at the main service entrance panel or to the location of the metering loop (for larger services). Underground services shall extend to the main service entrance panel, the metering loop or to a Member-owned metering equipment cabinet. The Member shall pay total estimated CIAC charges (excess footage) for extensions beyond specified lengths, as identified in **Appendix LEP1**. The Member shall also pay additional CIAC charges for any abnormal installation cost as determined by the Cooperative. The construction cost shall exclude the cost of overhead primary distribution line extensions along public roads maintained by NCDOT outside the prescribed boundaries of residential developments.

For underground line extensions, the Member shall be responsible for locating and adequately marking any existing water, sewer lines, or any existing member-owned underground facilities prior to installation of Cooperative underground service. The

Cooperative, or its designated contractor, will not be liable for damage to any privately-owned underground facilities that are not located within a tolerance zone of 30" on each side of the facility. The costs for line extensions shall be determined as follows:

A. Temporary Line Extensions

Any part of such facilities that will be utilized for the permanent service would fall under the rules for permanent service and a cost credit may apply.

- **Primary Overhead**
Full Cost
- **Primary Underground**
Full Cost
- **Secondary/Services Overhead**
 - i. Application Fee – Appendix LEP1
 - ii. 50' from existing transformer – no charge
 - iii. Over 50' – full cost of excess footage
- **Secondary/Services Underground**
 - i. Application Fee – Appendix LEP1
 - ii. 5' from existing transformer – no charge
 - iii. Over 5' – full cost of excess footage

B. Residential Line Extensions

- **Primary Overhead**
 - i. 500' from main line – no charge
 - ii. Over 500' – full cost of excess footage
- **Primary Underground**
 - i. 200' from main line – no charge
 - ii. Over 200' – full cost of excess footage
- **Secondary/Services Overhead**
 - i. Up to 150' – no charge
 - ii. Over 150' – full cost of excess footage
- **Secondary/Services Underground**
 - i. Up to 100' – no charge
 - ii. Over 100' – full cost of excess footage
- **Extensions involving Residential OH Developments**

The Cooperative will construct, own, operate, and maintain the overhead primary, secondary and service facilities necessary to provide 120/240 volt single-phase service from an overhead source into a residential overhead development. The Developer will be credited with

per lot amounts identified in **Appendix LEP1** and will pay full costs of amounts in excess of per lot totals. Refer to **Overhead Subdivision Contract Guidelines**.

▪ **Extensions involving Residential UG Developments**

At the request of the owner or developer, the Cooperative will install, own, operate, and maintain underground distribution facilities to provide a basic distribution system, normally 120/240 volt single-phase service, for service to single family residences and multi-family housing in new developments. The Developer will be credited with per lot amounts identified in **Appendix LEP1** and will pay full costs of amounts in excess of per lot totals. Refer to **Underground Subdivision Contract Guidelines**.

C. Commercial (Small, Medium, Large) Extensions

1. Small Commercial Extensions

- **Primary Overhead**
 - i. 500' from main line – no charge
 - ii. Over 500' – full cost of excess footage
- **Primary Underground**
 - i. 200' from main line – no charge
 - ii. Over 200' – full cost of excess footage
- **Secondary/Services Overhead**
 - i. Up to 150' – no charge
 - ii. Over 150' – full cost of excess footage
- **Secondary/Services Underground**
 - i. Up to 100' – no charge
 - ii. Over 100' – full cost of excess footage

2. Medium and Large Commercial Extensions

For medium and large commercial extensions up to 500 kva, the Cooperative will grant the Member/Builder \$50 per kva of the estimated transformer requirements. Any costs above this amount shall be the CIAC required of the Member/Builder.

For large commercial extensions above 500 kva, CIAC costs will be determined through an economic study performed by the Cooperative based on the rate of return on investment.

D. Agricultural Line Extensions

- **Primary Overhead**
 - i. 500' from main line – no charge
 - ii. Over 500' – full cost of excess footage
- **Primary Underground**
 - i. 200' from main line – no charge
 - ii. Over 200' – full cost of excess footage
- **Secondary/Services Overhead**
 - i. Up to 100' – no charge
 - ii. Over 100' – full cost of excess footage
- **Secondary/Services Underground**
 - i. Full cost

E. Incidental Line Extensions

- **Primary Overhead**
 - i. 100' from main line – no charge
 - ii. Over 100' – full cost of excess footage
- **Primary Underground**
 - i. Full cost
- **Secondary/Services Overhead**
 - i. Up to 100' – no charge
 - ii. Over 100' – full cost of excess footage
- **Services Underground**
 - i. Full cost

603 Replacement, Upgrade or Conversion of Cooperative's Overhead Facilities

A. Replacement

The Cooperative will replace damaged/failed equipment/wire necessary to provide service to a Member's NPOD at the Cooperative's expense. At the member's request the cooperative can replace the wire between the meter point and the connect point at the member's expense (full cost). The Member shall be required to pay for any abnormal installation cost incurred by the Cooperative as a result of structures or other obstacles which interfere with the Cooperative's ability to replace such equipment by standard installation procedures. Member shall pay full cost of damage to equipment or wire when caused by member's negligence.

B. Upgrade/Conversion of Existing Electric Service

1. Upgrade for Service Expansion

The Cooperative will upgrade existing overhead and underground transformer, secondary and services facilities necessary to provide service to the Member's upgraded NPOD at the Cooperative's expense. A one-time fee will be assessed, as designated in **Appendix LEP1**. Excess footage charges beyond the meter point will be the Member's responsibility (full cost). The Member shall be required to pay for any abnormal installation cost incurred by the Cooperative.

Note: This does not apply to new services added to **existing** meter point or CT point locations and should only be applied to upgrades to existing services.

2. Conversion Overhead to Underground

The Member will be responsible for clearing all necessary rights of way for installation of underground facilities, and the Cooperative will not be responsible for damage done to any existing Member-owned buried facilities not properly marked by the Member.

- i. Primary Overhead
 - a. Fee – Appendix LEP1
 - b. Full cost
- ii. Secondary/Services Overhead
 - a. Fee – Appendix LEP1
 - b. Full Cost

604 Relocating Existing Overhead and Underground Facilities

A. For Facility Expansions

At the Member's request, the Cooperative will relocate existing distribution overhead and/or underground primary, secondary and service facilities on the Member's property. Where the relocation is needed for business or residential building expansion, the Member shall pay on a graduating scale of full cost based on years of service of existing facilities, as designated in **Appendix LEP1**. Where needed for parking lots, roadways, driveways, etc., the Member shall pay the percentage of full cost designated in **Appendix LEP1**. The estimated cost shall include the cost to remove the existing facilities and the estimated full cost to install the new facilities, less salvage value for the facilities removed. Based on economic feasibility, limitations may apply. The Member shall grant the Cooperative the necessary Right of Way Easements to accomplish the relocations.

B. Relocations For New Facilities & Developments

The Cooperative will relocate existing overhead and/or underground distribution primary facilities for the purpose of new facility/development construction at the Cooperative's expense where economically feasible, as determined by the cooperative, within reasonable limitations. The builder/developer may be asked to contribute up to a designate percentage of full cost, as identified in **Appendix LEP1**. The relocated facilities shall remain on the subject property at an agreed upon location. The Member/Builder/Developer shall grant the Cooperative necessary easements for the relocations.

C. Relocations for NCDOT

It shall be expected that when lines are relocated at the request of the North Carolina Department of Transportation for changes in roadways, the Department of Transportation will pay the total relocation cost. Betterment costs associated with relocations shall be borne by the Cooperative.

D. Relocations For Miscellaneous Construction

In the event the Member constructs miscellaneous facilities (i.e. barn, garage, swimming pool, decks, large recreational structures, etc.) underneath Cooperative electric facilities, which compromise approach distance restrictions governed by National Electric Safety Code or other Cooperative restrictions, creating a hazard for the Member or the community at large, the Cooperative shall require the Member to pay relocation fees equal to the cost to remove the existing facilities and the estimated full cost to install the new facilities, less salvage value for the facilities removed. If the member does not want to incur the expenses involved to relocate said electrical facilities, the member can remove their structure that initially caused the non-compliance issue.

605 Street Lighting for Residential Developments and Thoroughfares

A. Residential Developments - In the event the installation of street lighting is requested by the Owner/Developer to be installed simultaneously with the installation of the primary electric facilities, the Cooperative will install streetlights upon the following conditions:

- i. **Underground** - Street lights will be placed at intervals of approximately one light per four lots (170'-250'), with consideration given to intersections and

cul-de-sacs. Consideration must be given to city/county ordinances which dictate specific distances between light fixtures and the type of poles and lights used.

- ii. **Overhead** - For overhead developments, the same guidelines ~~1-5~~ apply except that any desired streetlights shall be installed on wood pole structures. Wood poles supporting the primary line extension into the development will be the structures on which the lighting will be installed. Additional wood pole structures needed to accommodate one light per four occupied residences will be billed at the same rate as the line extension.
- iii. The light fixtures installed and the poles upon which they are mounted shall be standard fixtures selected by the Cooperative. In the event the Owner or Developer desires fixtures or poles of a different type, they will be required to pay the excess cost of such requested facilities and any additional energy requirements that could affect the standard monthly streetlight charges.
- iv. Each member served from the underground facilities installed in the Development will be required to pay a monthly surcharge for streetlights, as defined in the "**Street Lighting Agreement_Schedule SL-R**". This charge will be added to the member's account on their first day of service.
- v. When a Developer requests streetlights in a new development, the developer will be required to pay a one-time service fee, as defined in **Appendix LEP1**. This fee will be part of the subdivision construction costs. The lights shall be energized and turned on at the completion of SREMC subdivision construction.
- vi. Temporary lighting for contractor and equipment security will be installed on wood poles with standard ODL fixtures. Developer will be charged in and out cost for the pole plus monthly applicable charges for the light.

- B. Thoroughfares** – Lighting in thoroughfares shall be designed to meet specific requirements of city, municipality or DOT ordinances. The requesting entity shall pay the full cost of decorative poles and standard monthly charges for the lights.
- i. Overhead Primary – full cost
 - ii. Underground Primary – full cost
 - iii. Overhead Secondary – no cost
 - iv. Underground Secondary – full cost

606 Outdoor Lighting

In the event the installation of outdoor lighting is requested by the Member, the Cooperative will construct, own, operate, and maintain outdoor lighting upon the following conditions. Refer to **Outdoor Lighting Service Agreement**.

1. The light fixtures installed and the poles upon which they are mounted shall be standard fixtures selected by the Cooperative.
2. If location of light requires that the Cooperative install extra poles to serve light, the Member shall pay an additional monthly charge, per pole, in addition to the standard monthly outdoor light charges.
3. In the event that a transformer has to be installed to serve only the requested outdoor light, the Member shall pay an additional monthly facility charge.
4. If Member request service to outdoor light be installed underground in an area where the Cooperative's facilities are overhead or underground, the Member will pay a trenching charge per foot for trenching underground service to outdoor light.
5. Member will be required to sign an Outdoor Light Contract. This Contract requires that Member agree to pay for outdoor light for a three-year period of time for OH service and five-year for UG service.
6. For relocation of a light under valid contract, the Member may be required to pay a relocation charge plus a per foot charge for underground secondary. Alternatively, relocations may be performed without fees for contracts that have met obligations so long as the member signs a new contract.
7. In the event the member, owner or developer desires fixtures/poles of a different type than our standard for outdoor lights, they will be required to pay the excess cost of such requested facilities.

Appendix LEP1
South River EMC

Schedule of Charges

A. Temporary Extensions –	<u>Fee</u>
1. Primary Overhead	Full cost
2. Primary Underground	Full cost
3. Secondary Overhead (up to 50') . .	
a. Application fee	\$75.00*
b. 15 kva xfmr	\$280.00
c. Extra 35' pole	\$160.00
d. Excess Footage	\$2.30 per ft
4. Secondary Underground (up to 5') . .	Application fee only
a. Application fee	\$75.00*
b. Excess Footage	\$13.35 per ft

Note “*” – these temporary service fees will be added to the normal application fee of \$25 and will be paid within the application process. The remaining temporary service fees (if any) will be considered CIAC charges and will be required at the transition from temporary to permanent service.

B. Residential Extensions	<u>Fee</u> (per ft)
1. Primary Overhead (up to 500') . .	No cost
a. Excess Footage	\$6.00 per ft
2. Primary Underground (up to 200') .	No cost
a. Excess Footage	\$9.00 per ft
3. Sec/Service Overhead (up to 150') . . .	No Fee
a. Excess Footage	\$9.00 per ft
4. Sec/Service Underground (up to 100') . . .	No cost
a. Excess Footage	\$7.00 per ft

- C. Residential Developments**
1. OH - \$750 per lot credit
 2. UG - \$1750 per lot credit

D. Small Commercial Extensions –		Fee (per ft)
1. Primary Overhead (up to 500') ..		No cost
a. Excess Footage		1PH-\$6.00; 3PH-\$13.00
2. Primary Underground (up to 200') .		No cost
a. Excess Footage		1PH-\$9.00; 3PH-\$21.00
3. Sec/Service Overhead (up to 150') ...		No Fee
a. Excess Footage		1PH-\$9.00; 3PH-\$9.50
4. Sec/Service Underground (up to 100') ...		No cost
a. Excess Footage		1PH-\$7.50; 3PH-\$9.00

E. Medium, Large Commercial & Ind Extensions –

1. Medium and Large Commercial – credit of \$50/kva granted
2. Industrial (>500kva) – economic study required

F. Agricultural Extensions		Fee (per ft)
1. Primary Overhead (up to 500') ..		No cost
a. Excess Footage		1PH-\$6.00; 3PH-\$13.00
2. Primary Underground (up to 200') .		No cost
a. Excess Footage		1PH-\$9.00; 3PH-\$21.00
3. Sec/Service Overhead (up to 100') ...		No Fee
a. Excess Footage		1PH-\$9.00; 3PH-\$9.50
4. Sec/Service Underground.....		Full cost

G. Incidental Extensions		Fee (per ft)
1. Primary Overhead (up to 100') ..		No cost
a. Excess Footage		1PH-\$6.00; 3PH-\$13.00
2. Primary Underground		Full cost
3. Sec/Service Overhead (up to 100') ...		No Fee
a. Excess Footage		1PH-\$9.00; 3PH-\$9.50
4. Sec/Service Underground	Full cost

H. Service Upgrade Charges –		Fee (per ft)	1-Time Fee
1. 1PH OH to OH (per ft)		no cost	\$300
2. 1PH UG to UG (per ft)		no cost	\$300
3. 3PH OH to OH (per ft)		no cost	\$450
4. 3PH UG to UG (per ft)		no cost	\$450

I. URD Conversion Service Charge –	<u>Fee</u> (per ft)	<u>1-Time Fee</u>
1. Primary	Full Cost	\$300
2. Sec/Service	Full Cost	\$300

J. Relocations	<u>Fee</u> (full cost)
1. For Facility Expansions . .	
a. >9 years	0%
b. >7 but <9 years	10%
c. >5 but <7 years	20%
d. <5 years	40%
e. Other than building expansions	75%
2. For New Facilities & Developments .	
a. Up to	50% (at engineer's discretion)