



A Touchstone Energy® Cooperative 

Service Rules & Regulations

Docket No. EC-52 Sub 27
SUPERSEDES: ALL OTHER FILINGS

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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. **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. **Membership Agreement with Consumer/Owner**

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. 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.
3. 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.
4. 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 rules 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, etc.).
5. 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.

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 (SRR Appendix 2), 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.

Service Rules and Regulations

VI. Service Rules and Regulations

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.

Home owners can request to have an outdoor light installed at their location for a monthly fee. Any outdoor light that is installed at a location that is used for rental purposes must be paid for by the homeowner or landlord. If a tenant requests service at a rental location where an outdoor light exists, the owner/landlord will be contacted and informed that the light must be put in their name and will not be placed in the name of the tenant. Payment for the light by the tenant will be an agreement established between the owner/landlord and the tenant and will not be the responsibility of South River EMC.

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, contact number (919) 814-4696. 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, load management and demand response agreements, 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:

- The supply of electric service is for residential use.
- All necessary forms of identification and proof of ownership/lease agreement provided and all monies due to the Cooperative (i.e. bad debts, deposits) have been paid.
- None of the utility services require extra facilities.
- If the supply is for non-residential use, but is less than 50 kilowatts (kw) of electricity per month/billing period and single-phase.
- If the service is 50 kw or larger or three-phase, a contract must be signed and any contribution-in-aid-of-construction paid per the Cooperative's line extension policy.

(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 (See SRR Appendix 2).

When two or more rate schedules and/or riders are available to non-residential members, 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.

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

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.

- 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. (See SRR Appendix 1)
- 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*)

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 the two highest bills at the location.

As an alternative to a commercial/industrial/agricultural deposit, the Cooperative will accept:

- a. Current or previous good commercial/industrial/agricultural credit with the Cooperative.
- b. The Cooperative can conduct an online utilities commercial credit check. If a score of 85 percent or higher, the deposit will be the same as one month's average bill at the location.

Deposit Refunds

All security deposits will be applied 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.

203 Contracts

South River EMC sizes equipment for a member's facility depending upon information provided by the Member and/or their agent. Any member whose service will be 50 kw or greater (single or three-phase) is required to sign a contract. 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. Therefore, a minimum three or five year contract will be required to establish an adequate payback period to help cover cost of installation and maintenance. The member is required to pay a minimum bill monthly based on the required connected load (kw) times \$1.75. If the member's load requirement increases, the minimum bill will be adjusted in 50 kva increments.

Once the contract has expired, the minimum bill is based on the appropriate rate schedule for the load size.

It is the responsibility of the member to inform the cooperative when they add equipment, buildings, 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. If new or upgraded facilities are necessary to meet the member's electric demand, the member will be required to sign a new contract to ensure adequate cost recovery of the facilities.

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 Facilities Charges

Meters will be read remotely or manually and bills rendered by the Cooperative. Members may request in writing 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 facilities charge will be prorated and billed for the number of days electric service was connected in the month. Monthly facilities 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 charge 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 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 complaint procedure in 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)At a pay station – (credit given next business day)
- Online (South River EMC Web site/Member's bank)
- Automated phone payment system (IVR)
- MoneyGram Xpress
- 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 SRR Appendix 2) 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 permanently forbidden from using a credit card to make payments to South River EMC. If a member is found to be using a credit card fraudulently to pay their South River EMC electric account they will be forbidden to use 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 SRR Appendix 2), 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. For three-phase services or commercial accounts (≥ 50 kw), the contract period will resume once electric service has been restored. 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 (Schedule of Fees and Charges – SRR Appendix 2) 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 (Schedule of Fees and Charges - SRR Appendix 2).

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 2). 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 2).
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, 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 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.

IV. Cooperative Definitions

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.

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.

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.

CIAC – Contribution-in-Aid-of-Construction

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.

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

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.

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 – Non-residential facilities such as electric fences, well pumps, traffic lights, cablevision junctions, sheds, small workshops, and temporary services.

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 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.

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

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

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.

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. Load management agreement (if applicable)
- f. Current Service Rules and Regulations

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.

Index of SRR Appendices

- SRR Appendix 1 – Account Guarantee Contract (2 pages)
- SRR Appendix 2 – Schedule of Charges
- SRR Appendix 3 – SmartPay Contract
- SRR Appendix 4 – Contract for three-phase or commercial service

SRR Appendix 1

SOUTH RIVER ELECTRIC MEMBERSHIP CORPORATION ACCOUNT GUARANTEE CONTRACT

APPLICANT

Name _____ Account No. _____

Service Address _____
Street/Route City State Zip

Mailing Address _____
Street/Route City State Zip

Map Location No. _____ Telephone _____

Social Security No. _____

GUARANTOR

Name _____ Account No. _____

Service Address _____
Street/Route City State Zip

Mailing Address _____
Street/Route City State Zip

Map Location No. _____ Telephone _____

Social Security _____

As Guarantor, I hereby guarantee payment for electric service for the Applicant. This guarantee is for a maximum of **\$500**. This guarantee is given in consideration for the furnishing of electric service to the Applicant by South River Electric Membership Corporation without a deposit. If the Applicant defaults at any time in paying charges for electric service to Company, I will immediately pay such charges up to the maximum amount specified above. This guarantee will apply to all electric service furnished to the Applicant at the above listed location.

I have the right to terminate this Account Guarantee Contract at any time by giving 30 days' advance written notice to the Company. If I do not terminate the Contract, it will remain in effect until the Applicant establishes satisfactory credit with the Company or until electric service is no longer furnished to Applicant at the above listed location, whichever is earlier. At termination of the Contract for any reason, the Applicant will be required to pay a deposit if satisfactory credit has not been established by them. As Guarantor, I recognize that a minimum of 36 months is required for the Applicant to establish satisfactory credit and in no event shall this guarantee be effective beyond 36 months. It is also understood that if I, the Guarantor, move from the current address to another address within the Company's service area this will not have the effect of terminating the Contract; however, the contract will be terminated if I, the Guarantor,

move from the current address to an address that is not within the Company's service area. Termination of this Contract will not release me from liability with respect to any charges for electric service furnished to the Applicant before the Contract terminated.

If the Applicant defaults on his electric bill, the amount covered by this guarantee will be billed to my electric service account. In such an event, I understand that my electric service can be disconnected for failure to pay the guaranteed amount.

I hereby waive notice of acceptance of this guarantee. I also waive notice of default in payment by the applicant.

Signature of Guarantor _____ **Date** _____

Witnessed & Accepted by _____
Authorized Company Representative

NOTARY

STATE OF _____

COUNTY OF _____

I hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument. This the _____ day of _____, 20 ____.

My Commission Expires _____

NOTARY PUBLIC _____

Appendix 2

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
SmartPay Participation Fee	\$ 5 (monthly)
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
<i>Note: After hours <u>Non pay</u> reconnections will not be dispatched to servicemen after 10 p.m.</i>	

Appendix 3



All the power. None of the shock.

To begin participation in SmartPay, a one-time program fee and an initial minimum balance is required to activate the account. I understand that SmartPay is a prepaid metering plan; and I am required to keep a positive balance in my account to cover my electricity use or my electric service will be disconnected. A \$5 participation fee will be assessed monthly to cover the cost of the SmartPay program.

I understand that I will not receive regular monthly bills or disconnection notices from South River EMC and that it is my obligation to know the amount of credit in my SmartPay account at all times. With SmartPay, electric use, charges and credits are posted to my account daily. Daily postings are reconciled to my account monthly and any difference is credited or debited to my account. Information about my SmartPay account including history, use, charges and payments is available at www.sremc.com - click "View My Account/Pay My Bill" under Service Options or by phone at 910-892-8071 or 1-800-338-5530.

I understand that it is my responsibility to manage and update the notification settings on my SmartPay account. If my contact information is not accurate, I understand I may not receive important account status notifications. I acknowledge that I should use multiple options (e-mail, text or telephone). I also understand that any data costs from my cellular provider associated with receiving these notifications will be at my expense. I consent for South River EMC to contact me with important information (i.e. balances, pending disconnection, planned outages, etc.) using an automatic dialer.

I understand that all previously billed and unbilled balances must be paid at the time I submit my application for SmartPay. I also accept that as an alternative, and at the discretion of the Cooperative, debt recovery may be used when a member has an outstanding balance due. Deposits being held by the Cooperative on prospective SmartPay accounts will first be applied to any outstanding balances with all remaining amounts being added to the SmartPay account for future purchases of electric service. There will be no refund on account balances until your account has been closed and all balances have been paid.

If my SmartPay account is disconnected due to a negative balance on my account, I must pay any unpaid daily charges that have accrued prior to disconnection plus, an additional amount to bring my account to a positive balance. In the event of a returned check, a returned check fee will be added to my account that may cause me to not have a positive balance in my SmartPay account, which could subject me to immediate disconnection of service. If my account has two returned checks in a 24 month period, I will be required to make payment via certified funds only (cash, money order, certified check or credit card). SmartPay accounts are not eligible for time extensions, payment arrangements, bank draft or budget billing. Energy assistance payments are added to SmartPay accounts when the pledge is made or the payment is received, whichever occurs first. I also understand the minimum credit card transaction amount is \$15.

I realize I can convert my SmartPay account to a conventional electric service account at any time or at the discretion of the Cooperative. At such time my account is switched to conventional billing, South River Electric Membership Corporation may require full payment of a security deposit plus, any past due amounts and associated fees to continue electric service.

I hereby request South River Electric Membership Corporation to activate a SmartPay account in my name and I understand to agree and abide by the Cooperative's Service Rules and Regulations and to the items stated above. South River Electric Membership Corporation reserves the right to modify the Service Rules and Regulations at any time without prior notice.

Name: (print) _____

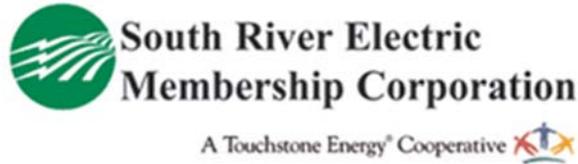
Account #: _____

Signature: _____

Date: _____

SREMC Representative: _____

Date: _____



Agreement for Electric Service

Account No.:

Folio No.:

AGREEMENT made _____, between SOUTH RIVER ELECTRIC MEMBERSHIP CORPORATION (hereinafter called the "Seller"), and _____ hereinafter call the "Consumer")

Mailing Address

Service Address

The seller shall sell and deliver to the Consumer, and the Consumer shall purchase all of the electric power and energy which the Consumer may need at the location described in Exhibit A, attached thereto and by this reference made part hereof, up to _____ kilowatts upon the following terms: *Minimum bill shall be the greater of the appropriate monthly basic facility charge or \$ per month plus fuel charge in effect

*NOTE: MINIMUM BILL DUE FOR DURATION OF SERVICE

1. Service Characteristics

- a. Service hereunder shall be alternating current, ___ phase, ___ wire, sixty cycles, _____ volts.
- b. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of power and shall not sell electric power and energy purchased hereunder.

2. Payment

- a. The Consumer shall pay the Seller for service hereunder at the rates and upon the terms and conditions set forth in rate schedule _____.
- b. The initial billing period shall start when Consumer begins using electric power, and will continue for a period of _____, with automatic renewal.
- c. Bills for service hereunder shall be paid at the office of the Seller in Dunn, State of North Carolina. Such payments shall be due on the cycle due day of each month for service furnished during the preceding monthly billing period. If the Consumer shall fail to make any such payments within ten days after such payment is due, the account is then subject to the collection policies of the Cooperative.
- d. The Consumer agrees that if, at any time, the Board deems it necessary to increase rates, the Seller may make a corresponding modification in the rate for service hereunder.

3. Membership

The Consumer shall become a member of the Seller, shall pay the membership fee, and be bound by such rules and regulations as may from time to time be adopted by the Seller.

4. Continuity of Service

The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, Governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of the Seller, the Seller shall not be liable therefore or for damages caused thereby.

5. Right of Access

Duly authorized representatives of the Seller shall be permitted to enter the Consumer's premises at all reasonable times in order to carry out the provisions hereof.

6. Term

This Agreement shall become effective on the date first above written and shall remain in effect _____ following the start of the initial billing period.

7. Succession and Approval

This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the day and year first above written.

(Consumer)

SOUTH RIVER ELECTRIC MEMBERSHIP CORPORATION
(Seller)

By: _____

By: _____

Title: _____

Title: Executive Vice President & CEO